INVESTING FOR GROWTH IN REGIONAL VICTORIA

Advocacy Priorities 2019 – 2022
Regional Cities Victoria (RCV) represents the shared interests of regional Victoria. Comprising the regional centres of Ballarat, Bendigo, Geelong, Horsham, Latrobe, Mildura, Shepparton, Wangaratta, Warrnambool and Wodonga, RCV is committed to policy solutions that strengthen our regional economies; encourage sustainable population growth; and maximise regional liveability.

Our ten cities account for 10.4 percent of the total Victorian population, but generate only 8.3 percent of the state’s economy. With the state’s population forecast to reach approximately 10 million by 2051, and Greater Melbourne’s population to hit around 8 million at the same time, regional cities have a leading role to play in preparing for, and harnessing, this growth.

Without strategic public investment, our current economic trajectory will see only modest economic growth over the next decade, with our cities forecast to add 30,000 jobs compared to 500,000 for Greater Melbourne. Now is the time to invest in our cities and unlock growth into the future.

Investing for Growth in Regional Victoria focuses on policy areas that must be addressed in order to achieve both economic and population growth, and to improve the long-term sustainability and liveability of regional cities.

RCV will work with state and federal governments to progress these issues; and we call for a greater, more coordinated effort across all levels of government to achieve stronger outcomes for regional Victorian communities.

**Cr Margaret O’Rourke**
Chair
Regional Cities Victoria
Regional prosperity and enhanced liveability through sustainable growth

To develop and advocate for policies that invest equitably and sustainably in regional cities to support a growing Victoria

1. Attract a diverse workforce, including skilled and semi-skilled workers to fill a wide range of long term vacancies; and unskilled labour to meet seasonal demand.
2. Attract new businesses as local economies diversify and transition to new industries; and work to sustain existing economies.
3. Support skills development and training in regional cities to grow the local workforce and retain young workers.
4. Secure equitable investment in infrastructure and services to support population growth, strengthen regional industry, and improve liveability in regional cities.
5. Improve transport connectivity between regional cities.
6. Improve transport connectivity to and from Melbourne.
7. Strengthen financial performance of regional local governments and identify new financing opportunities.
INFRASTRUCTURE

Victoria’s population is growing rapidly. Investment in infrastructure is required to support this growth, and to maintain or improve liveability across the state. In its report Growing Victoria’s Potential (2019), Infrastructure Victoria states that regional infrastructure priorities must be targeted to reduce disadvantage and build on local economic strengths.

Infrastructure investment is essential for regional cities to grow their local economies; transition to and develop new industries; support population growth; maintain and improve liveability and amenity; and improve access and connectivity between regional cities, and to and from Melbourne. This includes tourism infrastructure which can attract more visitors to regional areas, boosting regional economies, amenity and community pride.

Fast rail, and connections to future metropolitan rail networks such as Melbourne Airport Rail Link and Suburban Rail Link, are key priorities for RCV.

RCV acknowledges the federal government’s commitment to the Geelong City Deal and the Albury-Wodonga Regional Deal. RCV supports the investigation of other opportunities for coordinated infrastructure investment across regional Victoria.

Also important is the development of appropriate road and rail freight infrastructure, to ensure the logistics sector can properly service the wide range of industries that rely on the safe and efficient commercial transportation of goods.

RCV highlights the ongoing need for enabling infrastructure to lower the indirect costs of doing business, through the timely delivery of key utilities and services.

RECOMMENDATIONS:

Continued investment in the Building Better Regions Fund.

Greater infrastructure investment in regional Victoria, coordinated across all three tiers of government, with support from Regional Capitals Australia.

Close and ongoing consultation between Regional Cities Victoria and state and federal governments regarding major rail infrastructure projects, including Melbourne Airport Rail Link, Suburban Rail Loop, and the Inland Rail between Melbourne and Brisbane.

More Victorian representation on the Board of Infrastructure Australia.
SKILLS AND LABOUR

While regional unemployment may be at an all-time low, regional cities continue to suffer from chronic skills and labour shortages across a range of sectors. Unfilled vacancies are a risk to the sustainability of any business or industry.

Training, developing and upskilling the next generation of regional workers, as well as attracting and retaining the skilled workforce of today, are key challenges for regional communities.

Key sectors such as health and aged care face greater challenges as an ageing population, including retirees relocating to regional areas, increases demand for medical and allied health services.

In addition to skilled workers, there is seasonal demand for unskilled labour in the horticultural sector which can place significant pressures on businesses.

RECOMMENDATIONS:

Work with state government to ensure the new $2.6 billion Delivering for Regional and Rural Victoria Program delivers on the commitment to support 4,500 jobs.

Work with industry and state government to create opportunities to attract skilled workers to regional Victoria, support localised upskilling and training, and improve liveability through diverse employment opportunities.

Work with state and federal governments to ensure the availability of seasonal workers for the horticultural sector.

Additional funding support for the Victorian Skills Commissioner’s Regional Skills Taskforces, to complete regional workforce planning across all regions.

Maintain a range of in-demand health care and medical professional roles on the Victorian Visa Nomination Occupation List, including Registered Nurses (various specialisations), General Practitioners, and Surgeons.

A Regional Jobs Expo: a return of the Regional Living Expo, with a new focus on jobs, business and investment opportunities.
BUSINESS AND INVESTMENT ATTRACTION

Each regional city has its own economic strengths and specialised local industries. There is potential to further develop these industries through a coordinated investment program, working with state government agencies such as Invest Victoria and Global Victoria.

Expanding LaunchVic’s presence across regional Victoria would assist regionally based start-ups, and encourage start-ups seeking a regional location.

RECOMMENDATIONS:

Strengthen and support coordination across Regional Development Victoria, Invest Victoria and Global Victoria to assist with facilitating regionally-focused inquiries from potential investors and connecting them with regional businesses and councils.

Greater support for LaunchVic to expand its activity in regional Victoria, and to encourage the proliferation of the start-up ecosystem across regional Victoria.

Re-establish the Future Industries Fund, and maintain ongoing investment into the Fund.

Continued reduction, leading to phasing-out of regional payroll tax, to encourage employment growth for existing regional businesses, and business relocation for metropolitan based businesses.
WASTE MANAGEMENT

Local government is at the frontline of the so-called “war on waste”. Local government’s ability to effectively combat and sustainably manage the increasing volumes of waste and recyclable material depends on robust and informed policy and regulation at both state and federal levels, that demands greater transparency in a sector with limited competition; and facilitates the transition to a circular economy, where the reduction and avoidance of waste generation is prioritised.

While the short- to medium-term solutions should necessarily focus on safely dealing with the existing stockpiles of waste and recyclable materials, long-term solutions must focus on the development of a circular economy and the minimisation of waste production. It is clear that exporting waste and recyclable materials is no longer an option. A different approach is needed.

RECOMMENDATIONS:

A state-wide policy for waste management and resource recovery, which includes regional approaches for the re-use, reprocessing, or disposal of waste materials.

Targeted utilisation of unspent Landfill Levy income in the Sustainability Fund for the development of regional solutions (public and private sector) to manage, treat, reduce and recycle waste. E.g. a dedicated Research and Innovation Stream to investigate the establishment of regional recycling hubs; the development of new technologies for processing recyclables into new products; and the development of consumer markets for these products.

A review of the Landfill Levy, and the capped landfill monitoring and management costs for rural and regional councils.
TRANSPORT

While there are significant projects underway to improve rail connectivity between Melbourne and regional cities, work is also needed to improve transport connectivity between regional cities. Resolving regional public transport issues would boost the liveability of regional cities, and enhance their attractiveness as destinations to live, work, visit and conduct business. In some areas there is also interest in expanding the capacity of regional airports, which would support both leisure and commercial activities.

Regional rail freight and commercial road transport are critical to supporting regional and state economies. Investment in freight and logistics hubs, upgrades of regional road and rail networks, and improving inter-modal access to ports is critical to achieving optimal performance in the logistics sector, which supports a wide range of regional industries.

RECOMMENDATIONS:

Integration of local government transport plans with the Regional Network Development Plan (and other state transport plans) to identify service and infrastructure gaps, improve inter-city transport connectivity, and prioritise regional solutions, for both the passenger and freight sectors.

Dedicated funding to implement the integrated regional transport plans across both passenger and freight networks (including inland ports).

Development of a regional aviation strategy.

DIGITAL CONNECTIVITY

Digital and mobile connectivity is essential to economic growth, improved education outcomes, and enhanced liveability in regional Victoria. Improving digital and mobile connectivity across regional Victoria will support business and investment attraction, training and education, and tourism. It will also boost local commerce and support greater e-commerce uptake.

RECOMMENDATIONS:

$100m investment in digital and telecommunications infrastructure to ensure reliable, business grade digital connectivity.

More detailed information and frequent communication about the plans for the NBN rollout in regional areas.

Free Wi-Fi available in all regional cities and guaranteed mobile coverage throughout regional Victoria.

Increased federal funding for the Mobile Blackspot Program, ensuring Victoria receives an equitable share of the national fund and regional Victoria is not left behind.
Improve transport, digital and mobile connectivity across regional Victoria
LOCAL GOVERNMENT FINANCING

Improving local government financial performance has been a key focus of the review of the Local Government Act and reviews undertaken by the Victorian Auditor-General’s Office into the local government sector.

Recognising the need for cost saving measures in a financially constrained environment, RCV has commissioned several pieces of research investigating the feasibility of a treasury shared service model for local government. In June 2018 RCV delivered a business case to Regional Development Victoria, detailing a treasury shared service model that aims to provide local governments with access to wholesale investment markets, significantly reducing interest costs.

RECOMMENDATIONS:

To enable investment

- A treasury financing model that provides regional councils with direct access to competitive borrowing rates, e.g. RCV’s business case for a Local Government Financing and Treasury Shared Services model; or an expansion of the Community Sports Infrastructure Loans Scheme, piloted by Sport and Recreation Victoria in 2018, which provided low-cost loans for approved infrastructure projects.

- Advocate for greater superannuation fund investment in regional areas to boost private sector investment and economic prosperity of regions.

To reduce red tape

- Streamlining the grant application process to reduce the cost incurred in developing funding submissions. Examples include the Roads to Recovery and Fixing Country Roads programs.

- Reducing or removing conditions attached to grant funding, including in-kind and matched contributions and ongoing commitments, to enable greater Council participation in grant schemes.

- Work with the Commissioner for Better Regulation to find ways to facilitate funding for enabling infrastructure.

Financial Assistance Grants

- Advocate for a guarantee from the Commonwealth Government that the Financial Assistance Grant pool will be indexed in future years in line with inflation and population growth.

- Develop new modelling for the Financial Assistance Grants Scheme.

EXPANSION OF THE COMMUNITY SPORTS INFRASTRUCTURE LOANS SCHEME

GREATER COUNCIL PARTICIPATION IN GRANT SCHEMES

NEW MODELLING FOR THE FINANCIAL ASSISTANCE GRANTS SCHEME

Photo credit Jesse Marlow, 2016.
“Provide local governments with access to wholesale investment markets, significantly reducing interest costs.”