

# THE TIME IS NOW

## Embracing our regions

# Regional Cities Victoria

Advocacy Priorities 2022 – 2025



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CITIES  
VICTORIA





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## MESSAGE FROM CHAIR CR KIM O'KEEFFE

Regional Cities Victoria (RCV) is the peak body for regional Victoria; comprising of the 10 largest cities of Ballarat, Bendigo, Geelong, Horsham, Latrobe, Mildura, Shepparton, Wangaratta, Warrnambool and Wodonga. Collectively, these cities are home to more than 600,000 Victorians, and (outside of the COVID-19 pandemic) attracts hundreds of thousands of visitors each year.

RCV is committed to strengthening our regional economies; encouraging sustainable growth and maximising regional liveability. We want to help build a prosperous regional Victoria through investment in infrastructure and services that facilitate economic and social development.

The Regional Movers Index<sup>1</sup> showed the number of people who made the move from capital cities to regional areas in Australia is up by 11 per cent in June 2021, compared to June 2020. This is the largest movement since early 2018.

Regional Victoria has the opportunity to capitalise on this growth and, with considered investment, ensure long-term economic prosperity and increased liveability in the regions. Our regional cities currently make up 12 per cent of Victoria's population and approximately 10 per cent of Victoria's economy.<sup>2</sup> Anecdotal evidence also indicates strong growth in regional Victoria following the COVID-19 pandemic, which is seeing increasing and faster growth in house prices.<sup>3</sup>

Regional cities can reconnect with, and attract, a generation of young professionals and entrepreneurs looking for a tree-change. However, challenges such as a lack of housing supply and enabling infrastructure need to be addressed to support and encourage this.

There is no doubt the COVID-19 pandemic has affected our regional communities and the recovery process will take time, particularly for the tourism industry. Regional tourism is critical to regional Victoria's economic prosperity.

International border closures have also had a substantial impact on the casual/seasonal workforce and migration levels, and there are implications in meeting the housing demand with a shortage of skilled workers and employment opportunities in regional Victoria at an all-time high.

Now is the time to invest in our regional cities. We want to showcase everything regional Victoria has to offer and capitalise on people's interest to live, work and visit our cities.

RCV will continue to work with and advocate to the State and Federal Governments for greater investment, policies and initiatives to support essential infrastructure, services and programs for regional Victorian communities.

### Acknowledgments

Regional Cities Victoria proudly acknowledges Victorian Aboriginal people as the first peoples and Traditional Owners and custodians of the land and water on which we rely. We acknowledge and respect that Aboriginal communities are steeped in traditions and customs built on an incredibly disciplined social and cultural order. This social and cultural order has sustained up to 50,000 years of existence.

Regional Cities Victoria recognises the barriers in striving for gender equality and the need to address these issues to ensure all Victorians live in a safe and equal society. We are committed to ensuring we seek to provide equal opportunities for women with sustained, enduring and measurable action.

<sup>1</sup>[http://www.regionalaustralia.org.au/home/wp-content/uploads/2021/09/M395\\_RAI-CBA-Regional-Movers-Index-September-21\\_v04.pdf](http://www.regionalaustralia.org.au/home/wp-content/uploads/2021/09/M395_RAI-CBA-Regional-Movers-Index-September-21_v04.pdf)

<sup>2</sup>Regional population, 2019-20 financial year | Australian Bureau of Statistics (abs.gov.au)

<sup>3</sup>Victorian regional house prices outpace the city prices by up to 88 per cent over five years (domain.com.au)

# THE TIME IS NOW

Embracing our regions

## VISION:

Regional prosperity and enhanced liveability through sustainable growth

## FOUR PILLARS TO REGIONAL GROWTH AND RECOVERY:

①

Economic Growth



②

Connectivity



③

Liveability



④

Sustainability



# ① ECONOMIC GROWTH

## INFRASTRUCTURE

Local infrastructure projects are important drivers for regional economies, creating local jobs and improving the liveability of regional areas.

Regional Victoria's natural assets place it at the centre of Victoria's economic future. A lack of enabling infrastructure is deterring the development of local industry and private investment, which is hindering our recovery from COVID-19.

If governments are going to achieve their goals of generating renewable electricity, transitioning towards a circular economy and ensuring Australia's food security, regional cities will need to be able to support highly skilled, connected and diverse workforces.

2022 marks the 20<sup>th</sup> year of the successful Victorian Government Regional Jobs and Infrastructure Fund. This Fund continues to generate jobs, and support new and existing infrastructure projects in the regions. As regional cities adapt post-COVID, this Fund will support local workers and improve liveability, helping to create a more resilient regional workforce and economy.

**Commit to a long-term investment of \$800 million over four years in the Regional Jobs and Infrastructure Fund.**



## BUSINESS ATTRACTION

The regions are home to some of Victoria's most innovative citizens. Each region has their own specialist industries and strengths, but will require support to see these industries achieve maturity.

With only 7 per cent of Victoria's start-ups based in regional Victoria,<sup>4</sup> now is the time to develop a long-term plan to attract new businesses and encourage innovation in the regions.

The technology sector is at the centre of Victoria's economic future with year-on-year job growth in Victorian start-ups reaching 10.75 per cent between 2018 and 2020. The disparity in new technology businesses can be explained by the digital divide between metropolitan and regional Victoria, and a lack of enabling infrastructure, dis-incentivising business investment.

Expanding on LaunchVIC's presence across regional Victoria would assist regionally based start-ups, and, by following the success of the Breakthrough Victoria Fund, delivering a targeted regional fund for all industries will fill the gap for investment in innovation.

**Establish Gov-Kiosks across all regional cities as a one-stop shop to access Victorian Government services and programs.**



**Allocate 20 per cent of LaunchVIC funding to focus on attracting and creating new innovation and start-ups in regional cities; and establish a Regional Victoria Innovation Fund to drive innovation across industry.**



<sup>4</sup>LaunchVic's Victorian Startup Ecosystem Mapping Report 2018



## TOURISM

Tourism plays a vital role in all regional cities – be it local, domestic or international visitors. Each region has a unique offering and is reliant on regular visitors, many of whom become repeat visitors or even residents.

In the year ending March 2021, the regional Victorian tourism industry lost \$7 billion in tourism expenditure and 32.6 million visitors, compared to \$2.7 billion and 14.1 million visitors in metropolitan Melbourne.<sup>5</sup>

The impact of the bushfires in early 2020 and the COVID-19 pandemic has seen billions of dollars lost from regional economies. Residents have been pushed to their financial limits and will require ongoing support if the regional tourism industry is to survive.

RCV recognises the grants and incentives provided by the State and Federal Governments over the past 18 months to support regional tourism and local businesses, but ongoing support is required, particularly if restrictions and snap lockdowns continue to be used as a public health measure.

Regional events continue to be a strong draw card for visitors to the regions and the Regional Events Fund has successfully supported more than 250 events over the past 4 years. Regional cities have the capacity to host a range of large scale events, business and incentive programs, along with smaller community events.

**A \$40 million investment over 4 years for the Regional Events Fund; continuation of the new Regional Community Events Fund; and grants for business events and incentive programs held in regional cities.**

**\$40M**

<sup>5</sup>[https://business.vic.gov.au/\\_data/assets/pdf\\_file/0004/2002639/Victorias-Visitor-Economy-performance-infographic-year-ending-March-2021.pdf](https://business.vic.gov.au/_data/assets/pdf_file/0004/2002639/Victorias-Visitor-Economy-performance-infographic-year-ending-March-2021.pdf)

## ② CONNECTIVITY

### TRANSPORT

Whether it is agricultural supply chains, accessing healthcare, work opportunities or travelling to a tourist destination, transport infrastructure is vital to the economic stability and liveability of regional communities.

The task of connecting regional communities is one that must be done strategically and consistently. Of the 23,000 kilometres of arterial roads and freeways in Victoria 19,000 are in the regions.

However, despite the continued development of the regional transport networks,<sup>6</sup> connectivity between regional cities is inadequate. It is vital that governments invest in regional transport infrastructure at higher levels now and into the future. Regional public transport is also in need of increased investment.

Improved freight rail will take the stress off the network and reduce the rate of road degradation. The Victorian Government's Mode Shift Incentive Scheme has been beneficial to regional businesses and has driven a large increase in the use of freight rail. The one-year \$3.6 million extension of the scheme to 30 June 2022, while welcome, does not offer investors or business owners the certainty needed to make plans and create jobs in our communities.



**\$10 million to provide a Regional Transport Plan – the Plan will design ways to improve inter-city transport connectivity, and safe and fast transport links between regional cities.**

**Support existing intermodal freight hubs by increasing the annual funding allocation to the MSIS and extending it until 2026 (to coincide with the Port of Melbourne's Port Rail Transformation Project).**







## DIGITAL CONNECTIVITY

The COVID-19 pandemic has cemented the importance of digital connectivity to the economic success of regional communities. Research conducted by the Regional Australia Institute found the number of Australians working from home in a regional setting doubled between March 2020 and August 2020.

The long term economic outlook for regional Victoria is linked to access to digital platforms. Whether it be digital training, telehealth services or IoT technology in the agriculture sector, regional communities require reliable internet connections.

RCV welcomes the investment in regional and rural digital infrastructure from all levels of government. We hope to see the continuation of programs that support business-grade broadband connectivity projects for regional towns.

However, RCV urges policymakers to consider regional digital infrastructure as necessary to the provision of an essential utility. As in other areas where privately deployed technologies are relied upon to provide a public utility, such as energy production, setting clear targets about the desired digital connectivity outcomes would help to facilitate private sector investment and investigation of solutions to coverage issues.

**Free Wi-Fi in all regional cities.  
Free Wi-Fi on all regional trains.**



**\$50 million in government  
support to enable regional  
digital infrastructure  
investments that are not  
commercially viable.**



## ③ LIVEABILITY

### EDUCATION AND JOBS

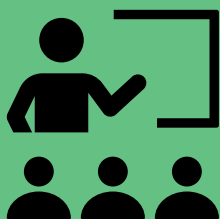
Demand for workers in regional areas is at an all-time high. Regional cities are suffering from skills and labour shortages across a range of sectors, in particular those central to thriving regional economies: health, aged care, early childhood educators, food production, advanced manufacturing and hospitality workers (seasonal workforce).

Attracting, retaining and training the next generation of skilled workers is a key challenge, as is seeking accommodation for skilled workers. Improving access to education, skills and training will support more people in regional Victoria to find stable, long-term work, as discussed in 'The role of infrastructure in addressing regional disadvantage' report.<sup>7</sup>

RCV recognises the establishment of the Victorian Skills Authority (VSA) and the role the authority provides in connecting Victorian employers and communities with skilled workers. We hope to work closely with the VSA to prioritise the needs of the regional workforce.



**\$100,000 to conduct an investigation into Regional Victoria Jobs and Skills; identifying demand, gaps in the market and better forecast the future skills needed in order to align demand with supply.**



**An annual \$900,000 investment to provide a local Victorian Skills Authority (VSA) liaison officer in each regional city for a minimum of 3 years; ensuring businesses and new industries are directly connected to the full range of training providers.**



## PLANNING

Planning processes as they stand are slow and serve as a handbrake on regional investment.

Improvements in planning processes would have a substantial and positive impact on the delivery of infrastructure projects. With an urgent need to invest in local infrastructure and housing projects, there is a need to fast-track decisions that have been delayed in the regions.

Regional Development Victoria (RDV) plays an important role in leading the State Government's rural and regional economic development. RCV appreciates RDV's consultative approach and encourages other elements of the Victorian Public Service to adopt their approach to engaging local government stakeholders when operating in regional Victoria.

**Additional funding for Regional Development Victoria to fast-track the development of Regional Recovery Plans and Regional Economic Development Strategies, to improve and centralise data collection.**



**Establish a Regional Taskforce to accelerate regional planning works and empower department officials to make decisions.**



## HOUSING

The shortage of housing is an urgent issue in the regions. It is critical that land supply is unlocked and associated enabling infrastructure is built to ensure liveability in regional communities.

During the pandemic, Australia has seen a 200 per cent increase in net migration from capital cities to regional areas, according to Infrastructure Australia.<sup>8</sup>

The housing shortage is impacting regional cities ability to attract skilled workers, as well as provide accommodation for visitors and the seasonal workforce.

RCV welcomes the 25 per cent investment into regional areas of the \$5 billion Big Housing Build program. Our members are willing to support government assistance and investment in affordable housing with commitments to provide council land, facilitate partnerships and provide local leadership.



**Prioritise the identification and roll out of projects in the regions as part of the \$1.25 billion investment in the Big Housing Build.**

<sup>8</sup><https://www.infrastructureaustralia.gov.au/listing/speech/challenges-and-opportunities-regional-infrastructure-investment>

## ④ SUSTAINABILITY

### ENVIRONMENT

RCV recognises the Intergovernmental Panel on Climate Change 2021 report that states: 'It is unequivocal that human influence has warmed the atmosphere, ocean and land....at a rate that is unprecedented.'<sup>9</sup>

Regional economies are reliant on tourism and agriculture; industries that are vulnerable to losses in biodiversity and transformations of the landscape caused by extreme weather and changes to seasonal patterns. As temperatures continue to rise year-on-year, regional Victoria will see a significantly lengthened fire season, severe draught and rising sea levels.

We welcome investment from both the State and Federal Government in the wake of the Black Summer Bushfires.

We welcome investment from both the State and Federal Government in the wake of the Black Summer Bushfires. However, it is clear that more needs to be done to support regional Councils and communities to tackle issues surrounding climate change and reduce emissions. Regional Councils want to be part of the solution.

Our cities would like to ensure investments in sustainable infrastructure are directed to regional projects. And following the success of the Suburban Parks Program in the metropolitan area, we would welcome a similar initiative in the regions.

### \$20 MILLION

**Establish a Climate Change Response Partnership Fund to provide support for Councils to help local communities reduce emissions and understand and transition to the future.<sup>10</sup>**




**Introduce a mandate to ensure 20 per cent of Sustainability VIC initiatives have a regional focus.**



**A \$30 million investment to deliver a Regional Parks Program - creating new parkland and upgrading existing open spaces.**





“  
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”

**Place funds received from the Municipal and Industrial Landfill Levy into a trust for re-investment in regional waste management projects.**

**Introduce an incentive scheme to attract new waste and recycling businesses encouraging them to establish their facilities and head office operations in regional Victoria.**

## WASTE MANAGEMENT

In recent years, the Federal and State Governments have recognised the need to manage local waste domestically. Following the Federal Government's passing of the Recycling and Waste Reduction Act 2020, banning the export of unprocessed waste overseas, local governments have shouldered the majority of the responsibility for managing waste and realising the potential of a circular economy.

Regional communities are eager to take advantage of the opportunities presented by increased efforts to recover and reuse waste. Analysis undertaken by Infrastructure Australia to determine opportunities for investment in circular economy waste infrastructure found that 52 of the

87 potentially new or developed facilities were in regional Victoria.

Investment in regional Victoria's waste management economy will not only help the Victorian Government achieve its targets outlined in the Recycling Victoria – A new economy strategy but will also bring much needed jobs and activity to regional economies.

Regional Cities Victoria believes that revenue raised from landfill levies should be reinvested in waste processing and upcycling facilities, particularly those already identified by Infrastructure Victoria.





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