



The Hon. Tim Pallas MP  
Treasurer  
Minister for Industrial Relations  
Minister for Trade and Investment  
Level 4, 1 Treasury Place  
East Melbourne VIC 3002

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21 March 2023

Dear Treasurer,

### **2023-24 VICTORIAN BUDGET SUBMISSION**

On behalf of Regional Cities Victoria (RCV), I submit our investment priorities for consideration as part of the *2023-24 Victorian Budget*. In doing so, we reiterate the policy and investment priorities outlined in our state election priorities document *The Time Is Now – Embracing our regions* shared with you last year.

RCV looks forward to continuing to work with you to deliver on the needs of all Victorians and we welcome the election commitments made by the Andrews Government that will improve the lives of our regional communities.

RCV acknowledges the Government's continued support for regional Victoria, especially in the wake of the most recent flood disaster. Rebuilding from natural disasters such as the one we saw last year takes time, but, with the right support, there is no doubt each region will bounce back stronger and more resilient than before.

Together, Victoria's ten largest regional cities are calling for significant investments to be made across four interrelated areas to support regional growth and recovery. Specifically, RCV's priorities are:

#### **Regional Jobs and Infrastructure Fund**

RCV renews its call for an investment of \$800 million over four years into the *Regional Jobs and Infrastructure Fund*. The *Regional Jobs and Infrastructure Fund* has proven to be an important driver for local infrastructure projects across regional Victoria, creating local jobs and improving the liveability of our regional cities and towns.

A continuation of the *Regional Jobs and Infrastructure Fund* over the medium-term will be pivotal to the continuing success of our regional cities and the smaller communities they support.

In addition, RCV calls on the Andrews Government to increase the contingency allowance on approved grants from 10% to 20%. General inflation, the rising costs of construction materials, and workforce shortages, are making it incredibly challenging for regional Councils to reliably cost and budget for community infrastructure projects. Increasing the contingency allowance would provide flexibility,



enabling local government to deliver vital infrastructure. Such a scheme could be trialled for 24 months on small to mid-sized projects, where the issue is most acutely felt by community.

### **Housing shortages and planning issues**

Housing shortages and unrealised efficiencies in the planning process have been identified by our members as among the most critical issues currently facing regional Victoria.

It is important that further land supply is unlocked, and local government must play its role in this. However, a lack of enabling or trunk infrastructure, particularly in greenfield 'pioneer developments' on the outskirts of regional cities, is ultimately deterring the development of local industry and private investment in the regions, posing an immediate challenge.

As part of the *2023-24 Victorian Budget*, RCV calls for the establishment of a \$500 million *Growing Regions Development Fund*, to relieve the burden currently faced by ratepayers and encourage housing development in new areas. This Fund can be replenished with profits derived from the soon-to-be-implemented Windfall Gains Tax.

Improvements in regional planning matters can have a substantial and positive impact on the delivery of infrastructure and housing projects and lead to better outcomes. But regional Victoria is currently experiencing extreme workforce challenges due to a state-wide shortage of planning staff. While all local governments are struggling to recruit and retain planners, regionally based Councils face additional barriers including struggling to match the salaries offered in metropolitan roles or the private sector.

Initiatives already introduced by the Andrews Government can be further built on through direct support to offer more competitive salaries, such as a top-up or subsidy on salaries for regional planners. This forms part of a suite of improvements and efficiencies that RCV is recommending to the Minister for Planning.

### **Accelerating regional mental health services**

The Andrews Government has started the job of building Victoria's mental health system from the ground. Last year, significant investments were made to deliver more acute beds in Shepparton and expand services at Latrobe Regional Hospital.

RCV calls for the upcoming Budget to make the investments necessary to deliver further acute beds across all of our regional cities and provide wraparound healthcare for people experiencing serious mental health and alcohol and drug issues.

### **Increase liveability in the regions**

As the populations of our regional cities continue to grow, so too does the demand for improved services and amenities. Regional Victoria must meet the challenges of current growth trends and with considered investment, ensure long-term economic prosperity and increased liveability in our regions.

Further investment in civic, community, cultural infrastructure, and open spaces, is needed to enhance the liveability of regional cities and boost the visitor economy.



As part of the *2023-24 Victorian Budget*, RCV calls for the establishment of a new \$200 million *Regional Living Fund* to invest in civic, community, and cultural infrastructure and open spaces to enhance the liveability of regional cities and boost the visitor economy.

A *Regional Living Fund* would complement other economic-focussed programs by investing in cultural facilities; art galleries and museums; performing arts centres; libraries and community spaces; placemaking civic amenity projects; playgrounds and parklands; recreation and leisure facilities; and community health and wellbeing hubs.

Each region has its own unique offering and funding community infrastructure projects will continue to entice visitors, new residents, and businesses to our regional cities.

### **Victoria 2026 Commonwealth Games legacy**

There is no doubt the Victoria 2026 Commonwealth Games will provide a once-in-a-life-time opportunity for regional Victoria, however, to truly capitalise on this experience it will be crucial to ensure benefits are created for local communities well beyond the sporting competition and event period.

RCV is seeking a commitment from the Andrews Government that the Games will create a legacy for the whole of regional Victoria, that extends beyond the five cities hosting events and creates opportunities across the State.

RCV would appreciate the opportunity to meet with you and your team to discuss these matters in more detail, as well as ways in which we can support Victoria's ongoing recovery from recent natural disasters, ensuring regional Victoria enjoys sustainable, long-term prosperity.

Should you require further information please contact the RCV Secretariat on (03) 9654 4799 or via email at [rcv@cprcomm.com.au](mailto:rcv@cprcomm.com.au).

Yours sincerely,

Cr Andrea Metcalf  
Chair  
Regional Cities Victoria

cc The Hon. Jacinta Allan, Deputy Premier; Minister for Transport and Infrastructure; Suburban Rail Loop; and Commonwealth Games Delivery  
The Hon. Harriet Shing, Minister for Regional Development; Commonwealth Games Legacy; and Equality  
The Hon. Melissa Horne, Minister for Casino, Gaming and Liquor Regulation; Local Government; Ports and Freight; and Roads and Road Safety.  
The Hon. Sonya Kilkeny, Minister for Planning; and Outdoor Recreation  
The Hon. Gabrielle Williams, Minister for Mental Health; Ambulance Services; and Treaty and First Peoples