



## 2024-25 STATE BUDGET SUBMISSION

### ESSENTIAL INVESTMENT TO ENSURE THE REGIONS ARE NOT LEFT BEHIND

#### BACKGROUND

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 800,000 Victorians, and contribute to approximately 10 per cent of Victoria's economy.

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.

Regional Victoria needs considered investment to underpin long-term economic prosperity and improve liveability in the regions. Challenges such as a lack of housing supply and workforce shortages need to be addressed in the short term to support regional Victoria's growth.

While we acknowledge the Victorian Government's \$2 billion Regional Investment Package, announced upon the cancellation of the 2026 Commonwealth Games, its focus on social housing and sporting infrastructure does not meet the breadth of local infrastructure needs across the regions.

RCV will continue to work with and advocate to the Victorian Government to ensure regional Victorians are not left behind – showcasing everything our regions have to offer and capitalising on people's interest to live, work, and visit our cities.

#### REGIONAL INFRASTRUCTURE FUND

Local infrastructure projects are a vital part of any regional community. They not only improve the liveability of regional cities and towns but also contribute to the local economy and create local jobs.

RCV was extremely disappointed by the Victorian Government's decision to discontinue the *Regional Jobs and Infrastructure Fund* (RJIF) as part of the 2023-24 Budget. For almost two decades, regional Councils and businesses have had access to more than \$100 million each year through RJIF. Councils have previously funded vital projects such as The Ballarat Community Hub, a new warehouse for Shepparton Foodshare, and town centre revitalisations in several regional cities through RJIF.

Without this funding stream there is no Victorian Government support available for local civic infrastructure projects in our growing regional cities, at a time when it is needed most. Councils are already facing budget constraints, having to operate in a tight fiscal environment and grapple with escalating costs and supply issues. Due to a lack of government support many local projects have been, or will be, put on hold.

In addition to this, a lack of Victorian Government grants makes accessing and leveraging the available Commonwealth funding for quality projects near impossible, due to long-standing co-contribution requirements. Regional Victorians will continue to miss out on their fair share of Commonwealth funding.



**RCV is calling on the Victorian Government to provide certainty for the regions by reinstating the Regional Infrastructure Fund, providing a \$300 million commitment over 4 years.** It is proposed the fund is set-up as it has been in the past, as a competitive program with grants considered between \$20,000 and \$3 million.

## **HOUSING AND PLANNING**

A shortage of housing is the most critical issue currently facing regional Victoria. RCV welcomes the Victorian Government's *Housing Statement* which seeks to make it quicker and easier for people to build new homes. It is imperative that local government is engaged, and the voices of local communities continue to be respected.

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.

RCV acknowledges the need to ensure 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.

The *Housing Statement* commits to providing quicker water connections by revising statements of expectations to water corporations to "strengthen the need to engage with developers and local councils early and regularly through the permit process". However, this does not address the need to fund this new infrastructure nor address the inability of these costs to be recovered through Development Contribution Plans.

**RCV calls for the establishment of a \$250 million Growing Regions Development Fund, to provide enabling or trunk infrastructure in regional cities and ensure key utilities and services such as water and sewage are delivered to unlock new housing stock.** The cost of this Fund could be partially offset using the proceeds of the Windfall Gains Tax.

Furthermore, **RCV is seeking an amendment to allow Development Contribution Plans to include water and sewage costs.** Currently, only infrastructure such as roads and drainage are eligible to be funded through Development Contribution Plans, which has proven to be limiting for our regional cities. Expanding Development Contribution Plans to include water and sewage will speed up delivery of these connections, address the Essential Services Commission's concern to protect the interests of existing customers of water corporations, and encourage further housing development.

## **JOBS AND SKILLS**

Demand for workers in regional areas is at an all-time high.

Regional businesses and public sector organisations alike are suffering from skills and labour shortages across a range of sectors, including: hospitals and health services, aged care, early childhood education, food production, advanced manufacturing, statutory planners, and the hospitality sector (seasonal workforce).



The *Victorian Skills Plan for 2023 into 2024* highlights that more than 75,000 new workers are expected in regional Victoria by 2026 – on top of the 60,000 jobs created across regional Victoria in the past 12 months.

Attracting and retaining skilled workers is a key challenge for businesses and organisations in regional Victoria, exacerbated by a shortage of housing and accommodation options.

To address immediate shortages, **RCV calls for the establishment of a Critical Worker Retention and Relocation Fund. It is proposed the fund provides financial incentives to attract suitably qualified workers to fill vacancies for key roles in regional Victoria, offering annual retention payments after the second, third, and fourth year of employment.** The proposal is modelled on the Victorian Government's initiative that bridges the divide between the regions and the city by financially incentivising teachers to relocate to hard-to-staff positions in country schools.

To address the higher-skill set required of Victoria's future workforce, the Victorian Government is collaborating with training providers and industry and has expanded Free TAFE – allowing all Victorians tuition-free training across more than 80 courses in priority areas, even if they already hold a separate qualification.

To support the tens of thousands of additional Free TAFE places, RCV calls for a **Regional TAFE Redevelopment and Technology Capability Program, to fund the capital projects needed to upskill Victorians, with campuses relocated into the heart of regional city centres, additional classrooms and teaching spaces, new equipment and better digital capability, and consolidated trade training centres and industry hubs.**

This program would also support the establishment of more Education First Youth Foyers, which provide on-campus accommodation to support young people aged up to 24 years who want to study at TAFE but are homeless or are at risk of experiencing homelessness.

## CONCLUSION

RCV continues to provide strategic guidance to government on policy and investment decisions that impact regional Victoria. We thank the Victorian Government for its continued support.

We urge the Government to increase its investment in key projects across regional Victoria and provide local government with the financial support necessary to leverage additional Commonwealth investment, to ensure sustainable growth and development for our communities. This is specifically important given the pace of growth across regional Victoria.

We do not want to see the liveability of our regional cities falter. Regional Victorians, existing residents and new, deserve adequate access to affordable housing, open spaces and parklands, and cultural and community infrastructure.

Should you require further information please contact the RCV Secretariat at [rcv@cprcomm.com.au](mailto:rcv@cprcomm.com.au).

## ACKNOWLEDGEMENTS

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.