



RCV
REGIONAL
CITIES
VICTORIA



▶ FEDERAL PRIORITIES

2025-26 ▶

Regional Cities Victoria

2025 FEDERAL PRIORITIES

- ▶ Expand the Growing Regions Program and regional Precincts and Partnerships Program (rPPP) to invest **\$1 billion annually**
- ▶ Unlock more new homes for Australians: invest **\$1.5 billion annually** through an expanded Housing Support Program to fast-track both design and construction of enabling infrastructure
- ▶ **Attraction and retention** of the people we need to approve more new homes
- ▶ **Promotion of skilled migration** to Australia's regions
- ▶ **Building back better** after natural disasters: making infrastructure betterment standard practice through the Disaster Recovery Funding Arrangements
- ▶ Restore **Financial Assistance Grants** to at least one per cent of Commonwealth taxation revenue





WHO WE ARE

Regional Cities Victoria is a leadership group dedicated to building a sustainable regional Australia by providing strategic advice, coordination, and advocacy to state and federal governments. Comprising the Mayors and CEOs of the ten largest cities in regional Victoria – Ballarat, Bendigo, Geelong, Horsham, Latrobe, Mildura, Shepparton, Wangaratta, Warrnambool, and Wodonga – Regional Cities Victoria is focused on achieving real change in regional Victoria through policy development and implementation. We represent the more than 800,000 Australians that live in these municipalities.

Victoria's regional cities underpin region-scale economies, liveability, and support the state's economic growth. People living across regional Australia also rely on regional cities as 'hubs' for access to education, health, financial, transport and social services, as well as retail, sport and recreation, and cultural amenities.

Every single day, an extra 35 people call one of our regional cities home. Local government is at the forefront of responding to this net population growth and maintaining the liveability for which regional Victoria is renowned. Regional Cities Victoria's vision is to develop and advocate for policies that invest equitably and sustainably in our regional cities to support a growing and prosperous Australia.

2025 CANBERRA DELEGATION



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Mayor of Greater Shepparton



CR ANDREA METCALF

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EMILY BROADBENT
Secretariat

Recommendations

Expand the Growing Regions Program and regional Precincts and Partnerships Program (rPPP) to invest \$1 billion annually

Infrastructure demands are placing an increasing burden on local government as population growth in regional cities outpaces all previous forecasts.

Growing populations place greater demand on council-run facilities and services in regional areas such as aquatic centres and sporting facilities, public libraries, community halls and senior citizens' centres, playgrounds, parks and open spaces, maternal and child health services, kindergartens, and early childhood education centres.

The ability of councils to build and manage these facilities is limited by the caps on general rates and municipal charges and a state-level cap on the Community Infrastructure Levy paid by property owners building a new dwelling.

Expanded Australian Government grants programs are critical to maintaining or improving liveability for existing and new residents and driving place-based economic prosperity by recognising the correlative importance of community-focused infrastructure.

Unlock more new homes for Australians: invest \$1.5 billion annually through an expanded Housing Support Program to fast-track both design and construction of enabling infrastructure

Whether new houses are in greenfield or brownfield developments, they often necessitate the augmentation of water mains, sewerage plants, and an upgrading of local roads and nearby intersections.

Grant funding (distinct from debt facilities) is needed to bring forward and/or make viable infrastructure projects that support new housing. This includes essential services like water, power, and sewage;

footpaths; local roads; upgraded and/or signalised intersections; and infrastructure projects that provide amenities to support new housing, including shared facilities like community centres and parks.

Developers have a responsibility to help pay for this infrastructure. However, they cannot bear this cost alone without the risk of regional Australians being priced out of owning a home in their own town. Additionally, 'pioneer developers' are reluctant to install infrastructure at their own cost to the benefit of future developments. At present, a 'first mover disadvantage' exists in identified growth areas across regional Victoria.

The Australian Government's Housing Support Program provides funding for state and local governments in response to this need. Regional Cities Victoria calls on the Government to make this program permanent. This will support delivery of the national target to build 1.2 million new homes over the 5 years from July 2024.

Attraction and retention of the people we need to approve more new homes

The local government sector in regional Victoria is experiencing extreme workforce challenges due to a statewide shortage of planners, building surveyors, and engineering staff. These workers are critical to the National Housing Accord and more people must be encouraged to take up these roles in the public sector.

RCV acknowledges the Victorian Government's efforts to streamline planning laws and bolster support to councils, including by expanding its own resources. However, expanding the capacity of state agencies often results in a negligible net impact, as state government recruits from the same small pool as local government – leading some people to leave roles at councils rather than adding genuine additional capacity to the workforce.

Long-term, we must encourage more highly skilled Australians to consider a career in local government. However, action and incentivisation must be taken now.

Recommendations

Internal strategies identified by our member councils include increasing the use of consultants; fostering career changes from within each organisation; formalising remote working arrangements (including accommodating interstate employees, where necessity of the task demands such flexibility to an applicant); and reimbursement of relocation costs.

The efforts of local government must be complemented and amplified by other tiers of government. The Australian Government can play a role in attracting critical workers to the local government sector, including through skilled migration.

Through the 2025-26 Budget, the Australian Government should pilot a 12-month international advertising campaign to attract suitably qualified planners, development engineers, and other in demand workers to live in regional Australia and work within the local government sector.

Consideration should also be given to establishing scholarships; forgiving Higher Education Loan Program (HELP) debt for practitioners who live in regional Australia and work in local government; and extending eligibility for the 'Commonwealth Prac Payment' to students undertaking mandatory placements whilst studying a course accredited by the Planning Institute of Australia.

Promotion of skilled migration to Australia's regions

Demand for workers in regional Victoria is at an all-time high. The Victorian Skills Plan for 2023 into 2024 highlights that more than 75,000 new workers will be needed in regional Victoria by 2026 across sectors including health, early childhood education, aged care and disability services, agriculture, construction, accommodation and food services, and education and training.

The 2025-26 Budget should invest in simplifying the Regional Sponsored Migration Scheme and supporting Designated Area Migration Agreements, which have helped address the unique workforce challenges in parts of regional Victoria – particularly where the terms have allowed access to a broader range of

overseas workers through variations to the standard occupations and skills lists and concessions on English language proficiency.

In 2024, the Department of Home Affairs sought stakeholder input on improving regional migration settings through the Supporting Strong and Sustainable Regions Discussion Paper. Regional Cities Victoria proposed that migration settings be informed by the Australian Statistical Geography Standard Remoteness Structure and/or the Regional Development Australia committees (and their area of responsibility or footprint).

The current definition of 'regional' including everything outside of Sydney, Melbourne and Brisbane for the purposes of migration settings is overly simplistic, imprecise in channelling migration, and does not reflect the approach taken by the Government for any other purpose.

Return of the flexibility for regional councils to determine local priorities under a non-competitive four-year Local Roads and Community Infrastructure Fund

Local roads form the backbone of Australia's transport network – connecting residents, businesses, and essential services. And councils manage 87 per cent of Victoria's road network.

Delayed maintenance and ageing infrastructure result in higher transportation costs, increased vehicle wear and tear, and reduced productivity. For regional businesses, poor roads hinder market access and impact on their competitiveness and growth.

Greater co-investment in local roads will improve safety and reduce accidents and road trauma. Potholes, uneven surfaces, inadequate signage or lighting, narrow lanes, a lack of pedestrian crossings, and increasingly busy intersections in need of signalisation, all create hazards for drivers, cyclists, and pedestrians.

Recommendations

Giving councils more autonomy – through a non-competitive program – will be efficient and allow tailored solutions to suit local conditions, leading to better protection of vulnerable road users, and reducing fatalities and injuries. It would also support important community infrastructure projects.

Building back better after natural disasters: making infrastructure betterment standard practice through the Disaster Recovery Funding Arrangements

Essential public assets (e.g. roads and bridges) and community infrastructure such as libraries, community centres, playgrounds, sports and recreation facilities underpin the liveability of regional communities. However, they are often impacted by flood, fire, and severe storms.

As natural disasters become more frequent and intense, every tier of government has a responsibility to ensure that public monies are committed wisely during the recovery phase and with a long-term view, to best support communities and build resilience to future disasters.

Historically, there was no provision for community infrastructure projects to be redesigned to remove or reduce the risk of damage from future natural disasters. For many regional cities, the risk of rebuilding community infrastructure in the same disaster-affected area without extra protective provisions has been deemed too great a risk and – in the absence of additional funding to improve these facilities – they have not been rebuilt.

Following a disaster, ‘infrastructure betterment’ is the restoration or replacement of damaged assets to a more disaster resilient standard than its pre-disaster standard. It is a cost-effective opportunity to reduce the risk posed by future disasters and help reduce recovery costs on governments longer-term. Infrastructure betterment can also bring additional social, economic, and environmental benefits for local communities.

However, infrastructure betterment funding remains available only through Category D (“relief or recovery carried out to alleviate distress or damage in circumstances which are, in the opinion of the Commonwealth, exceptional”) of the Disaster Recovery Funding Arrangements (DRFA).

It is not possible, for example, for local governments to access betterment funding through a Community Recovery Fund activated under Category C of the DRFA to support “severely affected” communities.

Regional Cities Victoria is calling infrastructure betterment provisions to be included within Category B and Category C of the DRFA, in acknowledgment that building resilience to natural disasters is not an exceptional circumstance nor a burden to be borne by local government alone.

Restore Financial Assistance Grants to at least one per cent of Commonwealth taxation revenue

While all tiers of government must be responsible for raising revenue to fund operations and service delivery, the capacity of local governments in regional Victoria to do so is constrained by relatively smaller populations, the capacity of community to pay, and legislative impediments.

Federal and state government grants are the second highest source of revenue for Victorian councils after rates and charges.

In an environment where councils’ expenses are persistently growing well above inflation (9.3 per cent in 2022-23), previously shared costs are being shifted onto local government by the state either intentionally or through static funding arrangements (e.g. public libraries; school crossing supervision; maternal and child health services; landfill and waste services levies; and disaster response and reconstruction), and increases to general rates and municipal charges are capped by state law at an amount based on the forecast Consumer Price Index (CPI); untied funding from the Australian Government is critical to the functioning of local government.

Recommendations

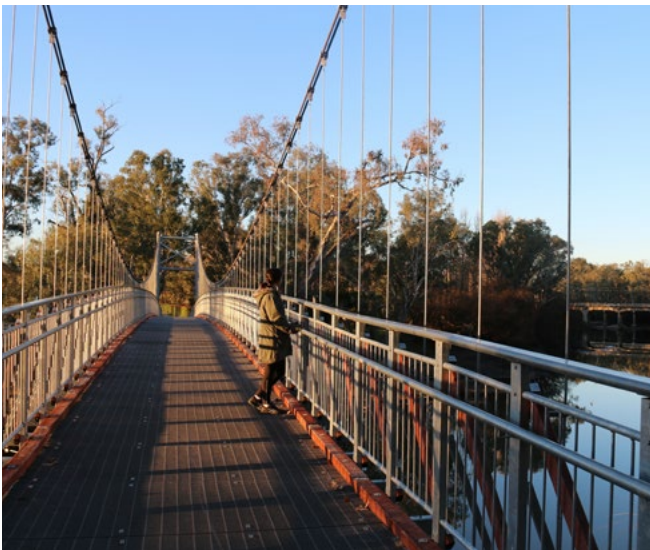
In March 2024, the Victorian Auditor-General's Office (VAGO) reported another decline in the adjusted underlying result indicator – a measure of a council's ability to generate a surplus from its ordinary course of business (excluding capital receipts) – for Victorian councils, noting that a continuing “longer-term negative trend in this indicator could force councils to reduce the services they offer their communities”.

Significantly, VAGO noted that “[the sector's] financial performance would have declined had the Australian Government not advanced 100 per cent of the 2023–24 financial assistance grants in 2022–23.”

Regional Cities Victoria calls on the Australian Government to restore Financial Assistance Grants to at least one per cent of Commonwealth taxation revenue through the 2025-26 Budget and to reform the Financial Assistance Grant formula such that distributions are made on an equity basis, based on an assessment of local governments' relative capacity to raise revenue.

MORE INFORMATION

For more information, please contact the Secretariat: rcv@cprcomm.com.au





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