



VLGA Communique #2
State Budget Update 2018

The VLGA is pleased to present its Communique #2 to all councils following our initial Communique in March and in response to the Victorian State Budget released on 1 May 2018.

As stated in Communique #1, the upcoming November state election presents councils with the opportunity to advocate for the needs of their communities.

We have analysed the State Budget and provide the following update for your council.

This update will provide additional information to councils in their ongoing lobbying and advocacy efforts on behalf of their community and to lobby local MPs leading up to the 2018 State Election and beyond. We also encourage your council to share your lobbying and advocacy efforts with the VLGA so that we may better represent the interests of the sector in 2018 and beyond.

Kathryn Arndt, Chief Executive Officer

Highlights for rural and regional councils

- \$1 billion for rural and regional roads including \$694 million for road restoration and upgrades
- \$17.4 million to establish of Regional Road Victoria
- \$313 million to upgrade rail services to Shepparton
- \$22.2 million for regional buses
- \$577 million for regional hospital upgrades in Ballarat and Wonthaggi and an extra \$50 million for the Regional Health Infrastructure Fund
- \$16 million to establish the Bendigo GovHub, in addition to the hubs in Ballarat and the La Trobe Valley
- \$11.6 million to improve digital services in Wodonga and Wangaratta

- \$47.3 million to development alcohol and drug treatment services in Barwon, Gippsland and Hume regions
- \$120 million to upgrade TAFE facilities in Bendigo, Morwell and Sale
- \$28.4 million for new and upgrading facilities for CFA, SES and Life Saving Victoria
- \$8.2 million for regional sports facilities in 9 regional cities and towns
- \$11 million to improve mobile coverage
- \$20 million to improve long term financial sustainability for rural councils*

Highlights for metropolitan Melbourne councils

- \$2.2 billion for upgrading of 13 suburban arterial roads in northern and eastern metropolitan regions
- \$116 million for repair and safety upgrades of other roads
- \$1 billion in the suburban public transport networking including
 - \$572 million for Cranbourne line duplication
 - \$104 million for 5 new X'Trapolis trains
 - \$89.4 million to South Morang line extension and increased services to Hurstbridge and Dandenong lines
 - \$56 million for the suburban bus network
- \$619 million for hospital upgrades including
 - \$396 million for the Victorian Heart Hospital in Clayton
 - \$69.5 million for renewal and upgrade of the Alfred Hospital
 - \$29.6 million to expand the emergency department at Sunshine Hospital
- \$25 million for local crime prevention initiatives
- \$50 million for the Growing Suburbs Fund*

State-wide initiatives

- \$2.8 billion for schools including \$272 million for land acquisition for new schools and \$288 million to support students with disabilities
- \$705 million for people with mental illness and addiction
- \$241 million for upgrading sporting facilities including \$82 million to increase sports participation by women and girls
- \$172 million to make 30 TAFE courses free for students

- \$43 million to build or upgrade early learning centres
- \$27 million for more kindergarten places

What's missing?

- There is no additional investment in the metropolitan tram network
- Only \$22.3 million investment in active transport allocated over four years
- * The \$20 million for rural councils addressing their long term financial sustainability and the \$50 million Growing Suburbs Fund are one-off funding with no ongoing commitment beyond the 2018-19 financial year

Where to from here?

The VLGA compared the issues we raised in our communique released in March and the budget response. While it is pleasing to see that many issues identified have or are being addressed, gaps remain, particularly in relation to waste management. The VLGA will actively engage with councils in the coming months leading up to the November state election and continue to be the independent voice for local government.

Issues identified in VLGA Communique 1	Budget response and VLGA analysis
<p>Infrastructure Planning for Local Communities</p> <p>A coordinated effort between state and local governments in infrastructure planning is urgently required to meet the demand of local communities. Local communities are experiencing rapid growth and at a different frequency depending on location and pre-existing infrastructure.</p>	<p>The budget contained significant investment in infrastructure for rural, regional and metropolitan Melbourne, particularly for early childhood education, schools, TAFE, some hospitals and sporting infrastructure. These will assist some councils in planning and delivery of services and capital works for their community. However, the \$50 Growing Suburbs Fund is only for the 2018-19 financial year.</p>
<p>Integrated Transport Solutions</p> <p>An integrated transport network is vital to the Victorian economy. Timely and seamless movement of people and freight increases the livability of large population centres to stimulate investment in regional and rural</p>	<p>There are significant investments in infrastructure focusing on roads and rail. Rail service investment to regional areas such as Shepparton and signal upgrades to western parts of Victoria will boost access and livability. The additional</p>

<p>cities. Conversely, over-reliance on one mode of transport or lack of integration of various transport options will have detrimental effects on the health and well-being of communities. These are the foundations on which the Transport Integration Act (2010) was established. A concerted whole-of-government approach is required to make integrated transport options a priority for all Victorians, now and into the future.</p>	<p>investments in bus services for regional and metropolitan Melbourne is welcomed.</p> <p>However, there is no additional investment for rail services to east and north east parts of Victoria. There is also no additional investment in trams and the budget allocation for active transport is insufficient. This leaves councils responsible for the bulk of active transport investment, particularly in metropolitan Melbourne.</p>
<p>Regional Development</p> <p>The VLGA would like to see upfront investment by the state government on these issues to ensure the sustained development of regional cities and towns. Pro-active partnerships between the state government, councils and other sectors need to be examined in addressing regional development opportunities.</p>	<p>The budget contains several key investments in regional Victoria, including the Bendigo GovHub and increasing digital connectivity to Wangaratta and Wodonga.</p> <p>However, the long-term sustainability of rural shire councils requires ongoing investment, particularly in identifying and fostering training and leadership opportunities in rural communities. The limited revenue raising potential and current rate capping policy means rural shire councils continue to rely heavily on grants from the other two tiers of government.</p>
<p>Partner with councils to find innovative solutions to waste management</p> <p>Councils would like to explore a range of options in tackling waste, they include:</p> <ul style="list-style-type: none"> • Incentives and measures to support councils to work with residents to reduce waste, including reducing recyclable waste from households; • Fast-track of roll out of organic recycling to reduce the amount of waste going to landfill; • Increase capacity of local waste management initiatives such as regional waste to energy plants. 	<p>Disappointingly, there is only \$14.6 million investment over two years by the state government addressing the issue of waste management. The VLGA will continue to lobby on behalf of the sector to the state government leading up to the November state election.</p> <p>At the recent meeting between the federal, state and territory environment ministers, there was agreement to address this issue, but no financial investment commitments were made. The VLGA is in the process of preparing an issues paper to be circulated to councils and other stakeholders seeking their engagement and collaboration on this issue for the benefit of all Victorians.</p>

<p>Partner with councils to address infrastructure gaps</p> <p>Councils in the interface regions between metropolitan and regional/rural areas are calling for better access to the Growth Areas Infrastructure Contribution (GAIC). The GAIC has been limited to infrastructure projects of between \$1 and \$10 million. Interface councils believe the \$10 million limit is constraining their ability to tackle large-scale, inter-generational infrastructure projects. This \$10 million limit needs to be reviewed and adjusted to suit local circumstances.</p>	<p>The budget allocated \$205 million from the GAIC, consisting of \$116 million for land acquisition for schools, \$68 million for school construction and \$20 million for public transport upgrades.</p>
<p>Partner with councils to address planning mechanism red tape</p> <p>Councils have experienced inefficiencies in both applying and managing the Development Contribution Plan (DCP). The current DCP process requires councils to have detailed infrastructure and service plans in place, even though significant infrastructure and service planning are often the responsibility of the state government. The guidelines governing the operations of the DCP are also rigid and do not give councils ability to modify or vary the DCP to suit changing circumstances. Likewise, councils are also reporting the lack of flexibility when re-applying for a DCP. Councils are effectively required to start from scratch in a re-application process, and there does not appear to be sufficient consideration given to the work done as part of the existing or previous DCP.</p>	<p>The budget allocated \$16.4 million over four years to improve the planning system, including \$9.8 million for reforming local government planning and \$3.6 million for streamlining land subdivisions and council approval processes.</p>