

# **Interface Budget Scorecard 2019**

**Based on 2019/20 Victorian State Budget**

**DRAFT REPORT**

Prepared for  
Interface Councils Group

By  
Ethos Urban

**June 2019**

## **Authorship**

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<b>Report stage</b>	<b>Author</b>	<b>Date</b>	<b>Review</b>	<b>Date</b>
Draft report	Malcolm Spence John Noronha	11 June 2019	John Henshall	7 June 2019
Final report				

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Every effort has been made to ensure the accuracy of the material and the integrity of the analysis presented in this report. However, Ethos Urban accepts no liability for any actions taken on the basis of the contents of this report.

## **Contact details**

For further details please contact:

**Our Reference: 3190192**

## Contents

1	Funding Scorecard.....	1
2	Budget Cyclical Interface Funding Estimates v Estimated Interface Requirements .....	3
3	Budget Funding Equity Scorecard.....	5
4	Employment Scorecard .....	10
5	New Building Investment Scorecard.....	12
6	Economic Output Scorecard .....	16
7	Early Childhood Scorecard .....	17
8	Primary School Funding Scorecard .....	18
9	Secondary and Consolidated School Funding Scorecard.....	21
10	Specialist School Funding Scorecard.....	23
11	Land Acquisition for Education Scorecard .....	24
12	Further Education Funding Scorecard.....	25
13	Health Funding Scorecard.....	26
14	Justice and Regulation Funding Scorecard.....	27
15	Arts and Cultural Facilities .....	28
16	Roads Funding Scorecard.....	29
17	Public Transport Funding Scorecard (Rail and Bus) .....	30
18	Public Libraries Funding Scorecard .....	31
19	Council Scorecard.....	32
20	Key Findings and Conclusions .....	33

# 1 FUNDING SCORECARD

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## *Key Points*

### **Total Funding**

- Interface Council areas have been allocated approximately \$5,555 million (over four years) in Total Estimated Investment (TEI) from the 2019/20 State Budget (including the Growing Suburbs Fund and other annual grants programs) for infrastructure in the following priority service areas:
  - Early childhood
  - Schools facilities (primary, secondary, specialist and land acquisition)
  - Further education facilities
  - Hospitals and health facilities
  - Justice and court facilities
  - Roads
  - Public transport.
- The \$5,555 million Interface allocation (over four years) represents a slight decrease in investment compared to the previous four-year budget allocation of \$5,728 million in 2018/19; although the 2019/20 figure is higher than allocations of \$3,034 million in 2017/18 and \$2,540 million in 2016/17.
- The largest proportion of allocated Interface infrastructure investment over the four-year period is focused on roads (\$2,199 million) – including the Suburban Roads Upgrade project, and public transport (\$1,992 million) associated the Hurstbridge Line Upgrade (Stage 2) and improvements to the Cranborne and Sunbury lines (excluding new trains).
- The next largest allocated Interface infrastructure investment is for primary schools (\$597 million), followed by secondary schools (\$304 million) and health (\$302 million).
- Small four-year allocations are made for justice/courts (\$14 million) and further education (\$13 million), but no allocation for arts and culture.
- The Growing Suburbs Fund has been allocated \$50 million in 2019/20. The Growing Suburbs Fund will continue to assist in the development of multi-purpose facilities, community centres, playgrounds and other infrastructure and spaces needed by the community.
- The Interface received approximately \$51,000 in new library infrastructure funding through the Living Libraries Program 2018.

Four-year State Budget (2019/20) TEI allocations (which include new and existing funding) for the Interface Council areas are shown in Table 1.1.

**Table 1.1: State Capital Investment by Priority Area 2019/20 – Four-Year Budget Cycle Allocation, unless stated (\$'000s).**

	Interface Council Areas		Non-Interface Metropolitan Council Areas		Regional Council Areas		State-wide / Unallocated		Victoria	
	Projects	Total Estimated Investment (TEI) (\$'000s)	Projects	Total Estimated Investment (TEI) (\$'000s)	Projects	Total Estimated Investment (TEI) (\$'000s)	Projects	Total Estimated Investment (TEI) (\$'000s)	Projects	Total Estimated Investment (TEI) (\$'000s)
Early Childhood <sup>(1)</sup>	0	0	0	0	0	0	3	313,095	3	313,095
Primary School	54	597,496	88	288,456	72	187,372	0	0	214	1,073,324
Secondary School	34	304,034	53	433,552	47	271,920	0	0	134	1,009,506
Consolidated School (primary/secondary)	6	42,410	3	11,688	13	25,296	1	101,273	23	180,667
Specialist School	5	40,710	7	26,915	5	37,076	0	0	17	104,701
Land Acquisitions for Education	0	0	0	0	0	0	4	529,953	4	529,953
Further Education	2	12,740	1	9,000	2	43,750	1	120,430	6	185,920
Education - Other	0	0	0	0	0	0	14	230,740	14	230,740
Health	2	302,452	21	3,294,255	13	1,276,414	25	742,073	61	5,615,194
Justice and Community/Courts	1	14,000	5	165,746	7	1,163,853	37	2,563,877	50	3,907,476
Government Hubs	0	0	0	0	3	38,340	0	0	3	38,340
Arts and Culture	0	0	0	0	0	0	10	307,244	10	307,244
Roads <sup>(2)</sup>	7	2,198,854	8	1,353,630	34	2,561,573	42	40,814,658	91	46,928,715
Public Transport <sup>(3)</sup>	5	1,992,440	4	500,752	23	3,893,274	33	21,044,489	65	27,430,955
Public Libraries – Annual <sup>(4)</sup>	1	51	3	2,200	5	1,869	0	0	9	4,120
Growing Suburbs Fund <sup>(5)</sup>	1	50,000	0	0	0	0	0	0	1	50,000
<b>Total</b>	<b>118</b>	<b>5,555,187</b>	<b>193</b>	<b>6,086,194</b>	<b>224</b>	<b>9,500,737</b>	<b>171</b>	<b>66,767,832</b>	<b>705</b>	<b>87,909,950</b>

Source: Victorian Budget Papers 2019/20 Figures rounded to nearest 1,000

Notes: <sup>(1)</sup> Child Link Program (statewide) and Ready for School: kinder for every three-year-old – funding for facilities to support three-year-old kinder programs (statewide)

<sup>(2)</sup> Statewide allocations include capital funding for North East Link, West Gate Tunnel and the Level Crossing Removal Program. Interface Council areas have been allocated 75% of the TEI value for the Suburban Roads Upgrade project, with the remaining 25% allocated to Non-Interface Metropolitan Council areas.

<sup>(3)</sup> Statewide allocations include Metro Tunnel, Melbourne Airport Rail, Suburban Rail Loop, and New Metropolitan Trains.

<sup>(4)</sup> Living Libraries Infrastructure Program 2018, Department of Environment, Land, Water and Planning.

<sup>(5)</sup> Growing Suburbs Fund allocation (\$50 million) is allocated for the 2019/20 period only.

## 2 BUDGET CYCLICAL INTERFACE FUNDING ESTIMATES V ESTIMATED INTERFACE REQUIREMENTS

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### *Key Points*

1. Over the current four-year budget period an estimated \$2,858 million in investment is required for critical infrastructure (i.e. kindergarten/preschool, schools, health, libraries and public transport) in Interface Council areas (refer to “One Melbourne or Two” updated report, Essential Economics 2018). Note that while the majority of funding is a State responsibility, funding support is also required from the Federal Government and Councils, while some infrastructure will be provided by the private sector.
2. State funding allocated in the 2019/20 budget over a four-year period represents approximately \$3,280 million (excluding the Growing Suburbs Fund) for these key infrastructure areas, which is above the required four-year requirement. Note, roads funding requirements are not included as a specific measure in the “One Melbourne or Two” report.
3. Further funding allocations (TEI) for Interface infrastructure are likely to arise from unallocated statewide funding programs, such as:
  - \$283 million Ready for school: kinder for every three-year-old – funding for facilities to support three-year-old kinder programs
  - \$120 million for TAFE Facilities Modernisation Program across the State
  - \$101 million allocated to provide relocatable school buildings to meet expanding demand across the State
  - \$72 million for train station carparking across the State
  - \$47 million for local road and intersection upgrades across the State.
4. In this four-year budget cycle, schools and health are adequately funded although this needs to be balanced against under-investment in previous budgets. Areas such as early childhood, public transport and libraries are underfunded, and this may result in a shortage of required infrastructure if unallocated State funds and federal contributions are not secured.
5. The estimated \$422 million ‘surplus’ in the 2019/20 budget compares to a surplus of \$233 million in the 2018/19 budget, a surplus of \$180 million in the 2017/18 budget and a surplus of \$83 million in the 2016/17 budget. This contrasts with estimated shortfalls in previous budgets of \$920 million (2015/16), \$810 million (2014/15), \$895 million (2013/14) and \$955 million (2012/13). In effect, the four-year funding allocations announced in the 2017/18, 2018/19 and 2019/20 budgets enable Interface Council areas to start ‘closing the gap’ in terms of cumulative funding deficits generated over many years.

A summary of budget allocations against identified service requirements is shown in Table 2.1

**Table 2.1: Budget Cyclical Interface Funding Estimates v Estimated Interface Requirements**

	Estimated Four Year Funding Total Estimated Investment <sup>(1)</sup>	Estimated Four Year Requirement (All funding sources) <sup>(2)</sup>	Funding Surplus /Deficit (All funding sources)	Main Funding Sources	Potential Under-Provision (if required funding from all sources is not secured)
Early Childhood	\$0.0m	\$26.7m	-\$26.7m	State/Federal/Private	Child Link Program will provide \$283 million for kindergarten capital works
Schools (primary, secondary, specialist and land acquisitions)	\$984.6m	\$394.7m	+\$589.9m	State/Private	Adequately funded
Health	\$302.4m	\$313.3m	-\$10.9m	State/Private	-20 beds
Libraries	\$0.1	\$6.4m	-\$6.3m		-2,200m2 of floorspace
Public Transport	\$1,992.4m	\$2,116.4m	-\$124.0m	State/Federal	-2,480 public transport users
<b>Total (Critical Infrastructure)</b>	<b>\$3,279.5m</b>	<b>\$2,857.5m</b>	<b>+\$422.0m</b>	-	-
Growing Suburbs Fund	\$50.0m	n/a	n/a	State	n/a
Justice and courts	\$14.0m	n/a	n/a	State/Federal	n/a
Other (roads, further education)	\$2,211.6m	n/a	n/a	Federal/State	n/a
<b>Total</b>	<b>\$5,555.2m</b>	-	-	-	-

Sources: <sup>(1)</sup> Victorian Budget Papers 2019/20; <sup>(2)</sup> Essential Economics, *One Melbourne or Two – Implications of Population Growth for Infrastructure and Services in Interface Area*, 2018.

Note: Figures rounded

### 3 BUDGET FUNDING EQUITY SCORECARD

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#### *Key Points*

1. Interface Council areas accommodate approximately 27% of Victoria's population and 35% of Metropolitan Melbourne's population (ABS Estimated Resident Population, June 2018 provisional). Over the most recent 5-year period (2013 to 2018), Interface Council areas have been responsible for accommodating 42% of State population growth and 47% of Metropolitan Melbourne population growth.
2. Over the 2013 to 2018 period, the population growth rate across the Interface Council areas of +3.9% pa (representing an increase of +306,000 persons over the 5-year period) far outpaced the population growth rate in non-Interface Metropolitan Council areas of +2.2% pa (an increase of +339,000 persons over 5 years) and in Regional Council areas of +1.1% pa (an increase of +81,000 persons over 5 years).
3. Over recent years Interface Council areas have started to receive State funding more closely aligned to their share of total population numbers and share of population growth. However, cumulative budget deficits over many years have resulted in significant underfunding in the Interface resulting in a growing gap in provision compared to Non-Interface Metropolitan Council areas. Regional Council areas continue to receive a higher level of funding compared to their population levels and growth rates.
4. The 2019/20 Budget allocated 34% of new allocated funding to Interface Council areas, which marks a significant decrease from the 46% allocated in the 2018/19 budget, although this level is higher than the 24% allocated for new infrastructure investments in the 2017/18 budget.
5. When new and existing funding is considered over the four-year forward estimates, Interface Council areas received 26% of total allocated investment for key infrastructure items, and this compares to 29% funding for Non-Interface Metropolitan Melbourne Council areas and 45% funding for Regional Council areas.
6. In the 2019/20 Budget, Interface Council areas were allocated 56% of funding for primary schools, 53% for consolidated schools (secondary and primary combined), 39% for specialist schools, 36% for roads and 31% for public transport.
7. Just 6% of allocated State health funding was directed towards Interface Council areas in the 2019/20 Budget, and this contrasts with 68% of funding for Non-Interface Metropolitan Council areas and 26% for Regional Council areas; while further education funding for Interface Council areas was 20%, compared to 69% allocated to Regional Council areas.
8. Interface Council areas received no direct funding allocations for arts and cultural facilities in the 2019/20 Budget.
9. Interface Council areas received a specific \$50 million allocation through the Growing Suburbs Fund to be spent in 2019/20 for community infrastructure projects.



10. Importantly, the population of Interface Council areas is forecast to continue growing at a faster rate than non-Interface Metropolitan Council areas and Regional Council areas over the next 15 years. The State Government's Victoria in Future 2016 (Department of Environment, Land, Water and Planning) shows that by 2031 Interface Council areas will accommodate 2,335,750 persons (an increase of +765,400 persons compared to 2016 population levels) and the Interface's share of state population will increase from 24% in 2016 to 30% in 2031. In view of these population projections, it is clear that significant and sustained infrastructure funding will be required to support the needs of Interface communities over the coming decades.

State budget allocations by priority area and by geographical location are shown in Tables 3.1 and 3.2, and illustrated in Figures 3.1 and 3.2

**Table 3.1: Budget Funding by Infrastructure Priority Areas (existing and new funding), by Geographical Area**

	Projects		Total Funding (Allocated and Unallocated)		Allocated Funding Only	
	Number of Projects	Share of Projects	TEI (000s)	Share of TEI	TEI (000s)	Share of TEI
<b>Interface Council Areas</b>	<b>117</b>	<b>16.6%</b>	<b>5,555,187</b>	<b>6.3%</b>	<b>5,555,187</b>	<b>26.3%</b>
Non-Interface Metropolitan Council Areas	193	27.4%	6,086,194	6.9%	6,086,194	28.8%
Regional Council Areas	224	31.8%	9,500,737	10.8%	9,500,737	44.9%
State-wide / Unallocated / location non-specific	171	24.3%	66,767,832	76.0%	-	-
<b>Total</b>	<b>705</b>	<b>100.0%</b>	<b>87,909,950</b>	<b>100.0%</b>	<b>21,142,118</b>	<b>100.0%</b>

Sources: Victorian Budget Papers 2019/20 and Living Libraries Infrastructure Program 2018.

Figures rounded

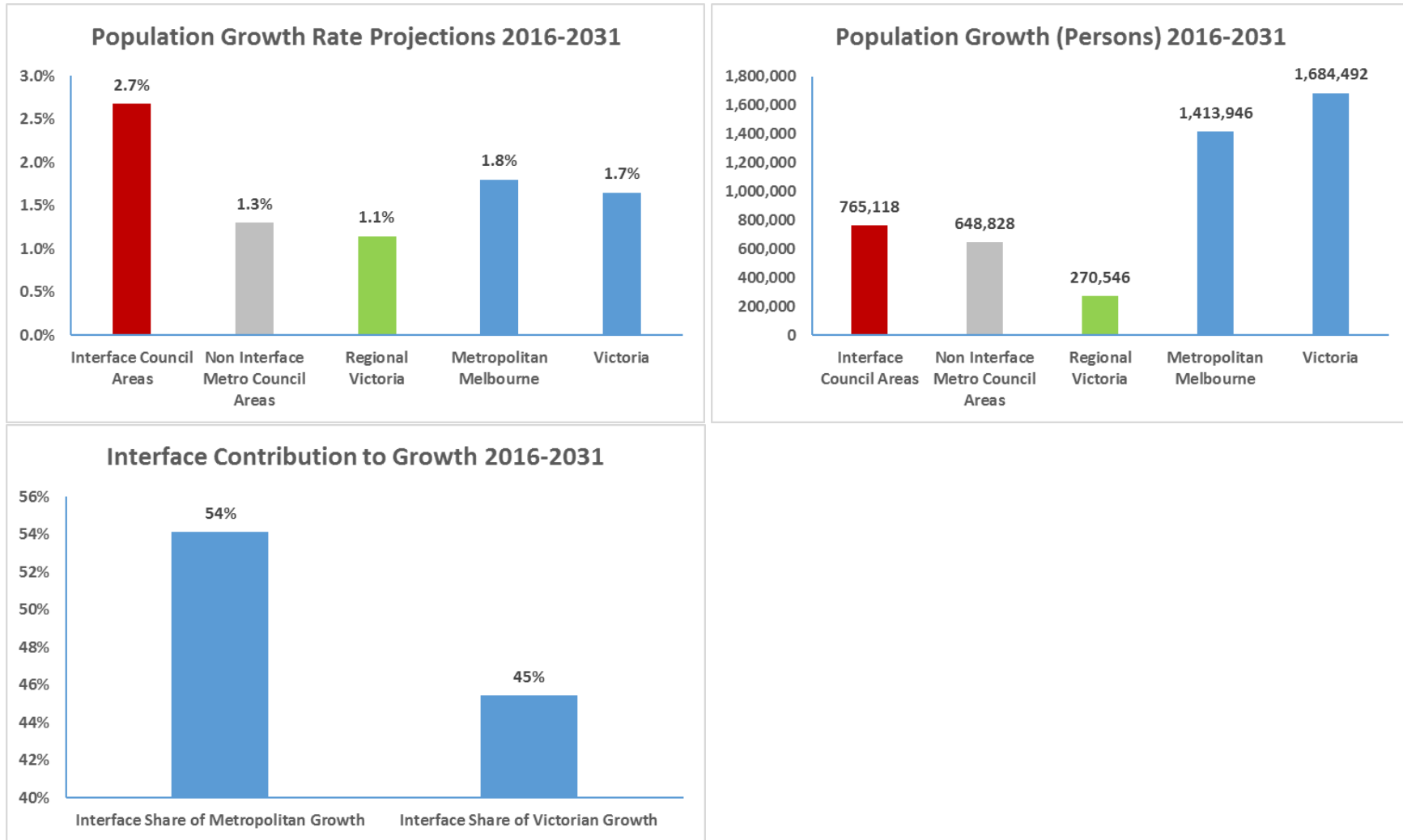
**Table 3.2: Budget Funding Equity Scorecard (Allocated Funding Only), by Geographical Area**

	Interface Council Areas		Non-Interface Metropolitan Council Areas		Regional Council Areas		Total	
	<i>Projects</i>	<i>Investment</i>	<i>Projects</i>	<i>Investment</i>	<i>Projects</i>	<i>Investment</i>	<i>Projects</i>	<i>Investment</i>
Early Childhood	-	-	-	-	-	-	-	-
Primary School	25.2%	55.7%	41.1%	26.9%	33.6%	17.5%	100.0%	100.0%
Secondary School	25.4%	30.1%	39.6%	42.9%	35.1%	26.9%	100.0%	100.0%
Consolidated School (primary/secondary)	27.3%	53.4%	13.6%	14.7%	59.1%	31.9%	100.0%	100.0%
Specialist School	29.4%	38.9%	41.2%	25.7%	29.4%	35.4%	100.0%	100.0%
Land Acquisitions for Education	-	-	-	-	-	-	-	-
Further Education	40.0%	19.5%	20.0%	13.7%	40.0%	66.8%	100.0%	100.0%
Education - Other	-	-	-	-	-	-	-	-
Health	5.6%	6.2%	58.3%	67.6%	36.1%	26.2%	100.0%	100.0%
Justice and Community/Courts	7.7%	1.0%	38.5%	12.3%	53.8%	86.6%	100.0%	100.0%
Government Hubs	0.0%	0.0%	0.0%	0.0%	100.0%	100.0%	100.0%	100.0%
Arts and Culture	-	-	-	-	-	-	-	-
Roads <sup>(2)</sup>	12.5%	36.0%	16.7%	22.1%	70.8%	41.9%	100.0%	100.0%
Public Transport <sup>(3,4)</sup>	15.6%	31.2%	12.5%	7.8%	71.9%	61.0%	100.0%	100.0%
Public Libraries – Annual <sup>(5)</sup>	11.1%	1.2%	33.3%	53.4%	55.6%	45.4%	100.0%	100.0%
Growing Suburbs Fund <sup>(6)</sup>	100.0%	100.0%	0.0%	0.0%	0.0%	0.0%	100.0%	100.0%

Source: Victorian Budget Papers 2019/20 and Living Libraries Infrastructure Program 2018

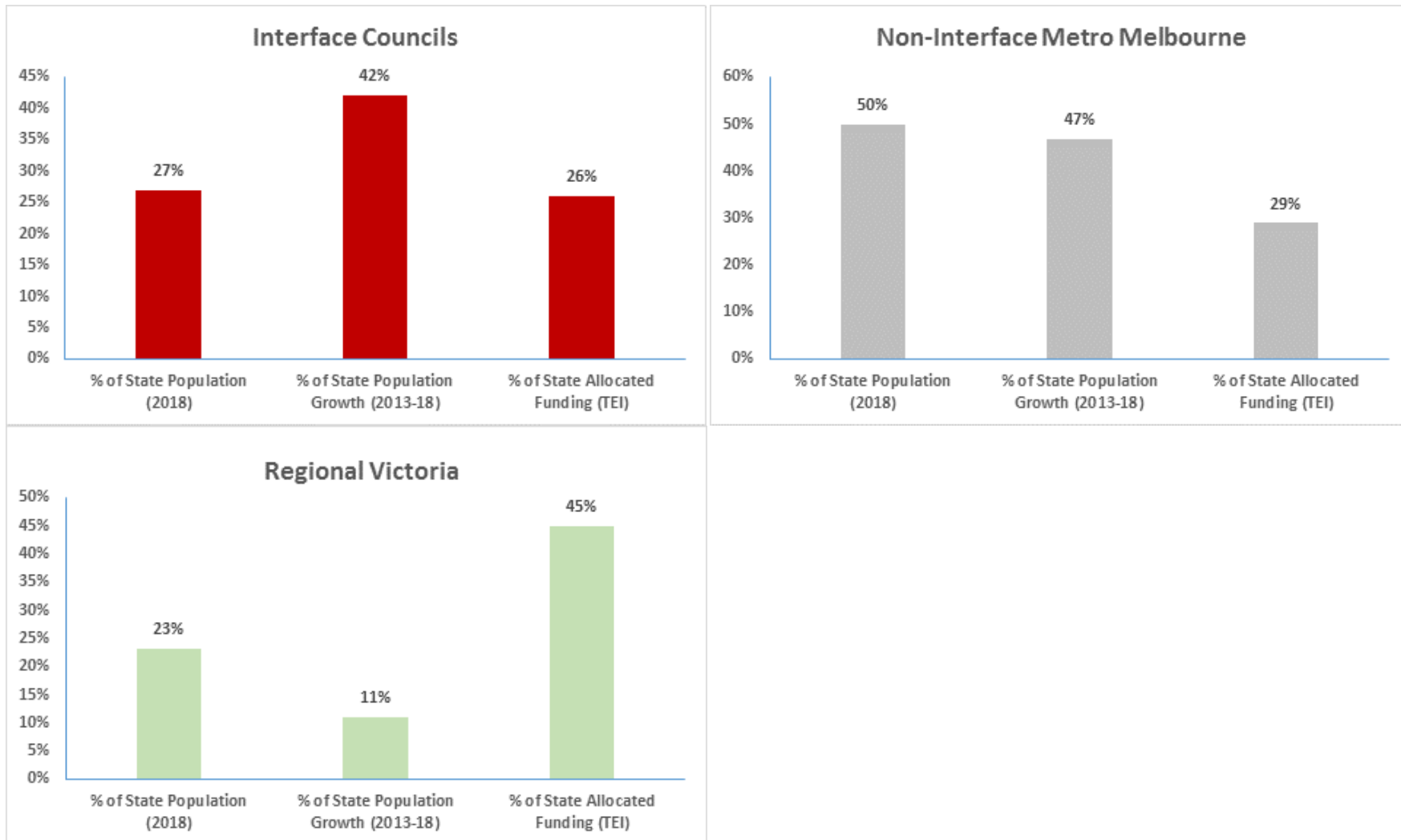
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**Figure 3.1: Population Growth (Annual Average Growth Rate 2013 to 2018), by Geographical Area**



Source: Department of Environment, Land Planning and Water – Victoria in Future 2016.

**Figure 3.2: Percentage Share of Total Population (2018), Population Growth (2013-2018) and Percentage Allocated Funding (TEI), by Geographical Region**



Sources: Victorian Budget Papers 2019/20 and Living Libraries Infrastructure Program 2018; Department of Environment, Land Planning and Water – Victoria in Future 2016.

## 4 EMPLOYMENT SCORECARD

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1. The unemployment rate in Interface Council areas was 5.7% as of December 2018. This is higher than rates for both Non-Interface Metropolitan Council areas (4.7%) and Regional Council areas (4.9%). As of December 2018, 38% of all unemployed persons in Metropolitan Melbourne were labour force participants from Interface Council areas (approximately 51,320 persons), which is higher than the 33% labour force contribution these Interface areas make to Metropolitan Melbourne's overall labour force.
2. ABS Place of Work data (2016) shows local job provision in Interface Council areas is very low at only 0.57 jobs per workforce participant. The 2016 figure represents only a slight improvement in provision over the past decade from 0.55 jobs per workforce participant in 2006. In contrast, Non-Interface Metropolitan Council areas continue to provide approximately 1 job per workforce participant, while job provision in Regional Council areas has improved over the past decade from 0.83 jobs per workforce participant in 2006 to 0.90 jobs per workforce participant in 2016.

Employment data is shown in Table 4.1

**Table 4.1: Economic Development Scorecard – Trends in Unemployment and Employment Provision, by Geographical Area**

	Interface Council Areas	Non-Interface Metropolitan Council Areas	Regional Council Areas
Unemployment Rate (December 2018) <sup>(1)</sup>	5.7%	4.7%	4.9%
Unemployment Rate (December 2017) <sup>(1)</sup>	7.0%	5.7%	5.4%
Unemployment Rate (December 2016) <sup>(1)</sup>	6.6%	5.5%	5.7%
Unemployment Rate (December 2015) <sup>(1)</sup>	6.9%	5.8%	5.8%
Unemployment Rate (December 2014) <sup>(1)</sup>	7.1%	6.5%	6.3%
Unemployment Rate (December 2013) <sup>(2)</sup>	6.5%	5.7%	5.4%
Unemployment Rate (December 2012) <sup>(2)</sup>	6.0%	5.2%	5.7%
Unemployment Rate (December 2011) <sup>(2)</sup>	5.6%	4.7%	5.2%
<b>Employment Self-Sufficiency Rate (2016) <sup>(3)</sup></b>	<b>0.57 jobs provided per labour force participant</b>	<b>1.07 jobs provided per labour force participant</b>	<b>0.90 jobs provided per labour force participant</b>
Employment Self-Sufficiency Rate (2011) <sup>(3)</sup>	0.51 jobs provided per labour force participant	0.98 jobs provided per labour force participant	1.07 jobs provided per labour force participant
Employment Self-Sufficiency Rate (2006) <sup>(4)</sup>	0.55 jobs provided per labour force participant	1.00 jobs provided per labour force participant	0.83 jobs provided per labour force participant

Sources: <sup>(1)</sup> Australian Government Department of Employment – Small Area Labour Markets (December 2014, 2015, 2016, 2017 and 2018) <sup>(2)</sup> DEEWR – Small Area Labour Markets (December 2011, 2012, and 2013); <sup>(3)</sup> ABS Place of Work (2011 and 2016); <sup>(4)</sup> ABS Journey to Work (2006).

## 5 NEW BUILDING INVESTMENT SCORECARD

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1. In 2018, Interface Council areas secured 26% of all new building investment (measured by the value of approved building permits) across the State, which is the same proportion than in 2017 and in 2012 (when the trend series began). New Interface building investment equated to \$10.2 billion over the year, up from \$9.2 billion the previous year and \$4.4 billion in 2012. The 2018 figure represents an expansion in new building investment in the Interface of approximately +\$1.0 billion (or +10.4%) over the 12 months, which is similar to investment uplifts experienced in Non-Interface Metropolitan Council areas (+9.9%) and Regional Council areas (+9.9%) over the year.
2. New building investment tends to vary by year due to the ‘bulkiness’ of certain major investments, and such variations therefore need not necessarily relate to macro-economic conditions. In this regard an assessment of the longer-term trend is more useful. Six-year investment trends for Interface Council areas show an increase in new building investment from \$4.4 billion in 2012 to \$10.2 billion in 2018, which equates to an average annual growth rate of +15% in investment over the period. This is below the investment trend for Non-Interface Metropolitan Council areas (+17% pa), but well above the investment trend for Regional Council areas (+11% pa) over the 2012-2018 period.
3. The main focus of investment in Interface Council areas in 2018 remains domestic dwelling construction (\$7.6 billion or 75% of all investment), which represents an increase of +\$0.6 billion (or +9%) over the 12 months. Over the same period the Interface’s share of statewide domestic dwelling investment increased from 37% in 2017 to 38% in 2018, highlighting the ongoing importance of Interface Council areas in providing new dwelling supply to support Victoria’s expanding population. It is important to recognise most of the Interface’s new dwelling supply is developed on greenfield sites which generally have low levels of supporting infrastructure and services; which is in contrast to brownfield/infill dwelling development in inner metropolitan areas which is generally well supported by established infrastructure and services.
4. In 2018 Interface Council areas secured a smaller proportion of new State building investment in hospital/healthcare (17%, down from 21% in 2017), while the proportion of State investment in new public buildings increased from 18% in 2017 to 23% in 2018. The long-term trend for these key areas of community infrastructure investment shows Interface Council areas securing 18% of hospital/healthcare building investment (compared to 55% for Non-Interface Council areas and 27% for Regional Council areas) and 23% of public building investment (compared to 56% for Non-Interface Council areas and 21% for Regional Council areas).
5. Between 2017 and 2018, Interface Council areas recorded a decrease in commercial building investment from \$787 million to \$763 million, but increases in industrial building investment from \$160 million to \$229 million, and retail building investment from \$307 million to \$372 million. The longer-term trends for these sectors shows Interface Council areas securing 17% of State commercial building investment compared to 71% for Non-Interface Council areas and 12% for Regional Council areas; 27% of industrial building investment compared to 40% for Non-Interface Council areas and 33% for Regional Council areas; and 21% of retail building investment compared to 65% for Non-Interface Council areas and 15% for Regional Council areas.

New building investment data is shown in Table 5.1 and Figures 5.1 and 5.2. Note, values are expressed in current prices, unadjusted for inflation.

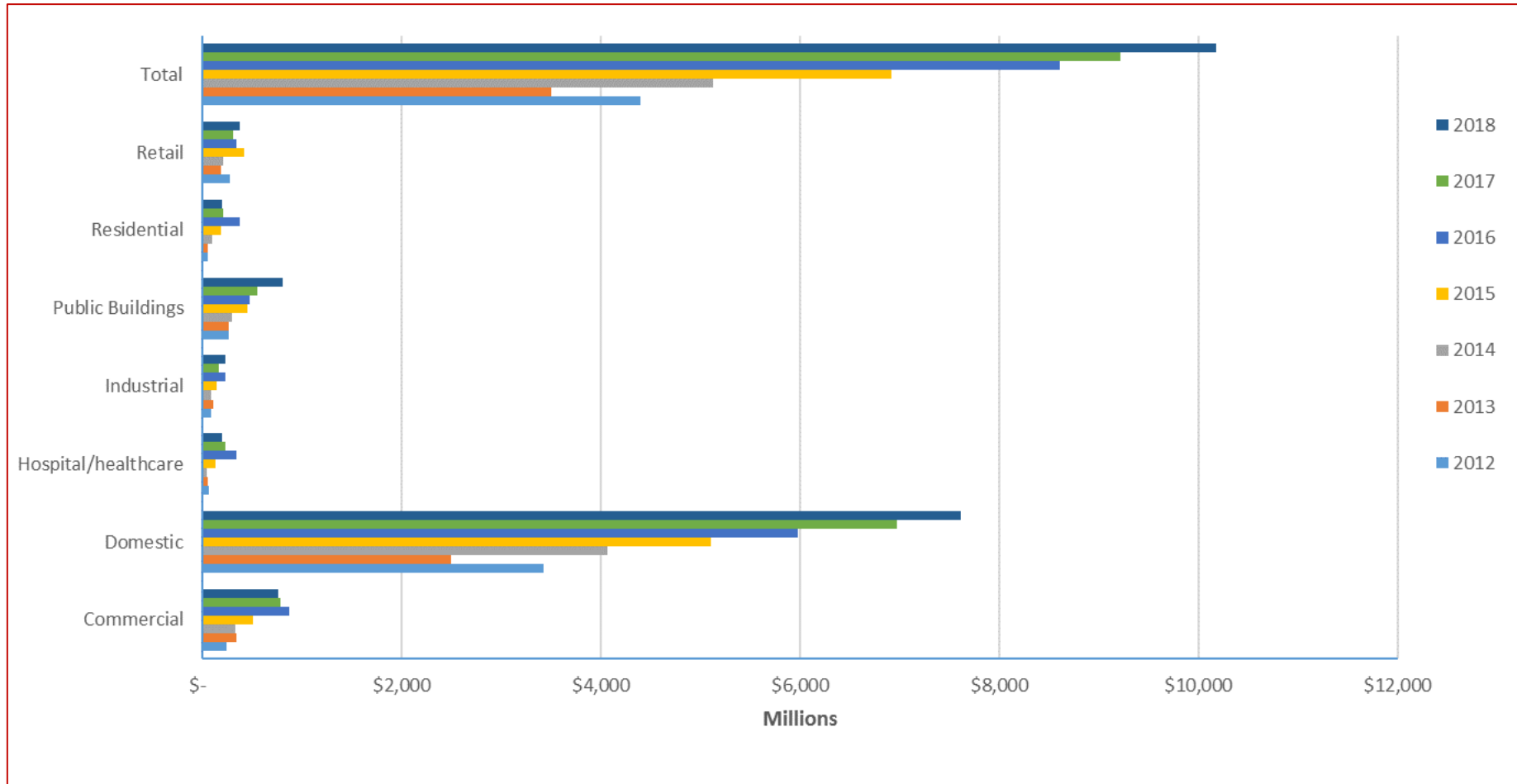
**Table 5.1: Economic Development Scorecard – Building Investment, 2012-2018**

	2012		2013		2014		2015		2016		2017		2018		2012-2018	
	Value	State Share	Value	State Share	Value	State Share	Value	State Share	Value	State Share	Value	State Share	Value	State Share	Value	State Share
<b>Interface Council Areas</b>																
Commercial	\$237m	14%	\$344m	21%	\$326m	18%	\$506m	16%	\$867m	21%	\$787m	18%	\$763m	14%	\$3,830m	17%
Domestic	\$3,423m	36%	\$2,494m	35%	\$4,061m	35%	\$5,101m	34%	\$5,978m	36%	\$6,975m	37%	\$7,614m	38%	\$35,646m	36%
Hospital/healthcare	\$65m	13%	\$54m	14%	\$46m	5%	\$126m	12%	\$343m	37%	\$234m	21%	\$195m	17%	\$1,063m	18%
Industrial	\$88m	21%	\$110m	39%	\$83m	16%	\$140m	25%	\$234m	38%	\$160m	26%	\$229m	30%	\$1,044m	27%
Public Buildings	\$259m	23%	\$259m	33%	\$293m	32%	\$449m	25%	\$473m	21%	\$554m	18%	\$809m	23%	\$3,096m	23%
Residential	\$53m	2%	\$54m	2%	\$102m	3%	\$185m	3%	\$373m	7%	\$203m	3%	\$200m	3%	\$1,170m	4%
Retail	\$269m	36%	\$186m	24%	\$212m	23%	\$415m	19%	\$345m	21%	\$307m	17%	\$372m	17%	\$2,106m	21%
<b>Total</b>	<b>\$4,394m</b>	<b>26%</b>	<b>\$3,501m</b>	<b>26%</b>	<b>\$5,123m</b>	<b>25%</b>	<b>\$6,922m</b>	<b>23%</b>	<b>\$8,613m</b>	<b>27%</b>	<b>\$9,220m</b>	<b>26%</b>	<b>\$10,182m</b>	<b>26%</b>	<b>\$47,955m</b>	<b>25%</b>
<b>Non-Interface Metropolitan Council Areas</b>																
Commercial	\$1,221m	74%	\$1,154m	69%	\$1,110m	62%	\$2,240m	70%	\$2,921m	70%	\$3,047m	68%	\$3,995m	75%	\$15,688m	71%
Domestic	\$3,313m	35%	\$2,739m	38%	\$4,453m	39%	\$6,485m	43%	\$7,155m	43%	\$7,636m	41%	\$7,885m	39%	\$39,666m	40%
Hospital/healthcare	\$311m	62%	\$284m	75%	\$591m	61%	\$442m	44%	\$438m	47%	\$586m	54%	\$674m	59%	\$3,326m	55%
Industrial	\$232m	55%	\$117m	41%	\$149m	28%	\$241m	42%	\$223m	36%	\$261m	42%	\$284m	38%	\$1,507m	40%
Public Buildings	\$606m	53%	\$342m	43%	\$374m	41%	\$1,107m	61%	\$1,326m	58%	\$1,863m	61%	\$1,956m	55%	\$7,574	56%
Residential	\$2,800m	94%	\$2,297m	88%	\$3,576m	94%	\$5,271m	94%	\$5,035m	92%	\$5,819m	94%	\$6,009m	94%	\$30,807m	93%
Retail	\$359m	47%	\$479m	62%	\$525m	56%	\$1,468m	69%	\$1,025m	61%	\$1,170m	65%	\$1,606m	73%	\$6,632m	65%
<b>Total</b>	<b>\$8,842m</b>	<b>52%</b>	<b>\$7,412m</b>	<b>54%</b>	<b>\$10,778m</b>	<b>53%</b>	<b>\$17,254m</b>	<b>59%</b>	<b>\$18,123m</b>	<b>57%</b>	<b>\$20,382m</b>	<b>57%</b>	<b>\$22,409m</b>	<b>57%</b>	<b>\$105,200m</b>	<b>56%</b>
<b>Regional Council Areas</b>																
Commercial	\$184m	11%	\$163m	10%	\$359m	20%	\$445m	14%	\$397m	9%	\$632m	14%	\$551m	10%	\$2,731m	12%
Domestic	\$2,731m	29%	\$1,899m	27%	\$3,003m	26%	\$3,517m	23%	\$3,690m	22%	\$4,159m	22%	\$4,741m	23%	\$23,740m	24%
Hospital/healthcare	\$122m	24%	\$43m	11%	\$334m	34%	\$445m	44%	\$145m	16%	\$275m	25%	\$281m	24%	\$1,645m	27%
Industrial	\$102m	24%	\$59m	21%	\$295m	56%	\$187m	33%	\$166m	27%	\$195m	32%	\$242m	32%	\$1,246	33%
Public Buildings	\$285m	25%	\$187m	24%	\$237m	26%	\$258m	14%	\$490m	21%	\$640m	21%	\$767m	22%	\$2,864m	21%
Residential	\$128m	4%	\$273m	10%	\$141m	4%	\$177m	3%	\$92m	2%	\$173m	3%	\$212m	3%	\$1,196m	4%
Retail	\$129m	17%	\$112m	14%	\$193m	21%	\$254m	12%	\$310m	18%	\$311m	17%	\$226m	10%	\$1,535	15%
<b>Total</b>	<b>\$3,681m</b>	<b>22%</b>	<b>\$2,736m</b>	<b>20%</b>	<b>\$4,562m</b>	<b>22%</b>	<b>\$5,283m</b>	<b>18%</b>	<b>\$5,290m</b>	<b>17%</b>	<b>\$6,385m</b>	<b>18%</b>	<b>\$7,020m</b>	<b>18%</b>	<b>\$34,957m</b>	<b>19%</b>

Source: Victorian Building Authority (unpublished data); Values expressed in current prices, unadjusted for inflation. Figures rounded



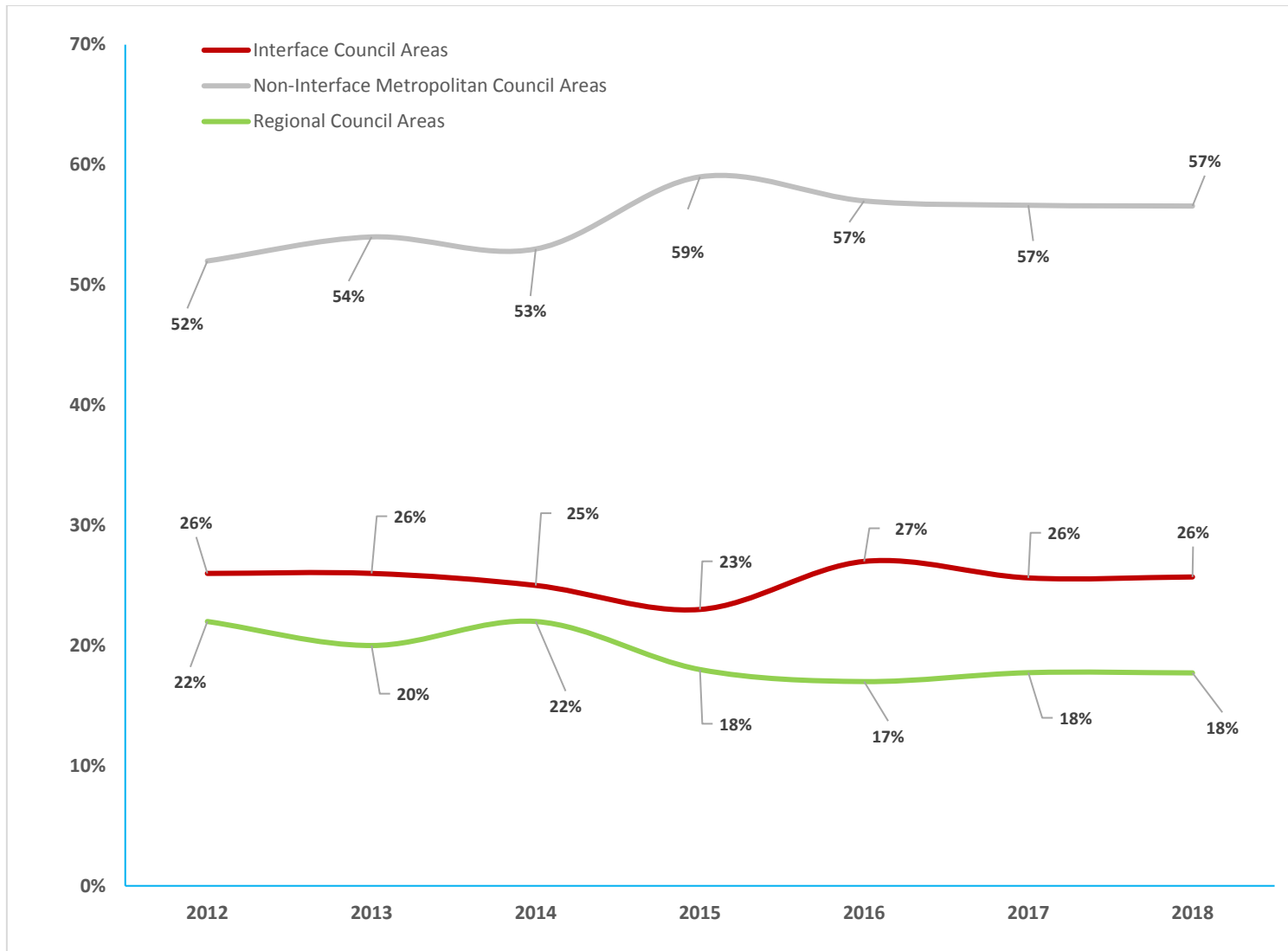
Figure 5.1: New Building Investment Trends by Building Type, Interface Council Areas, 2013 to 2018



Source: Victorian Building Authority (unpublished data)

Note: Figures rounded

**Figure 5.2: Trends in the Share (%) of Total Victorian New Building Investment by Region, 2013 to 2018**



Source: Victorian Building Authority (unpublished data)

Note: Figures rounded

## 6 ECONOMIC OUTPUT SCORECARD

1. Economic output data for 2017/18 (latest available from id National Indicators data), as measured in Gross State Product (GSP), highlights the relative lack of economic infrastructure, capital investment, established industry sectors, supply chains and employment in Interface Council areas. Interface Council areas contributed just \$63 billion (or 16%) to Victoria's GSP of \$387 billion for the 2017/18 financial year.
2. The proportional contribution of Interface Council areas to Victoria's GSP in 2017/18 of 16% represents an increase from 13% in 2010/11.
3. However, the GSP contribution of Interface Council areas (16% in 2017/18) remains well below those of Non-Interface Metropolitan Council areas (64%) and Regional Council areas (19%), with these ratios only shifting marginally between 2010/11 and 2017/18, as shown in Table 6.1.
4. This data highlights the fact that many Interface labour force participants are involved in economic-generating activities outside the Interface (predominantly in other metropolitan areas), as Interface Council areas contribute 26% of the total State labour force, but only generate 16% of Victoria's GSP, as noted above.
5. In contrast, Non-Interface Metropolitan Council areas provide 52% of total State labour force and generate 64% of Victoria's GSP, while Regional Council areas provide 22% of the State's total labour force and generate 19% of Victoria's GSP (Labour force data relates to December 2018).

**Table 6.1: Economic Output Scorecard – Gross State Product (GSP) 2010/11 to 2017/18**

	2010/11		2017/18		Change 2010/11 to 2017/18	
	GSP Value	Proportion of State GSP	GSP Value	Proportion of State GSP	GSP Value	Proportion of State GSP
Interface Council Areas	\$42.2b	13.5%	\$62.7b	16.2%	+\$20.5b	+2.7%
Non-Interface Metropolitan Council Areas	\$210.2b	67.0%	\$249.6b	64.4%	+\$39.4b	-2.6%
Regional Council Areas	\$61.2b	19.5%	\$75.1b	19.4%	+\$13.9b	-0.1%
<b>Victoria</b>	<b>\$313.6b</b>	<b>100%</b>	<b>\$387.4b</b>	<b>100%</b>	<b>+\$73.8b</b>	<b>-</b>

Source: id National Economic Indicators Series – id Consulting and National Institute of Economic and Industry Research

Note: Figures rounded

## 7 EARLY CHILDHOOD SCORECARD

**Table 7.1: Early Childhood Scorecard**

	Projects	Share of Total	2019/20 Allocation (000s)	Share of 2019/20 Investment
<b>Interface Council Areas</b>	-	-	-	-
Non-Interface Metropolitan Council Areas	-	-	-	-
Regional Council Areas	-	-	-	-
State-wide / unallocated / location non-specific	3	100.0%	\$313,095	\$313,095
<b>Total</b>	<b>3</b>	<b>100.0%</b>	<b>\$313,095</b>	<b>\$313,095</b>

Source: Victorian Budget Papers 2019/20

Note: Figures rounded

### ***Funded Interface Projects 2019/20 (\$ millions - figures rounded)***

Nil

## 8 PRIMARY SCHOOL FUNDING SCORECARD

**Table 8.1: Primary School Funding Scorecard**

	Projects	Share of Total	TEI (000s)	Share of TEI
<b>Interface Council Areas</b>	<b>54</b>	<b>25.2%</b>	<b>\$597,496</b>	<b>55.7%</b>
Non-Interface Metropolitan Council Areas	88	41.1%	\$288,456	26.9%
Regional Council Areas	72	33.6%	\$187,372	17.5%
Statewide / unallocated / location non-specific	-	-	-	-
<b>Total</b>	<b>214</b>	<b>100.0%</b>	<b>\$1,073,324</b>	<b>100.0%</b>

Source: Victorian Budget Papers 2019/20

Note: Figures rounded

### ***Funded Interface Projects***

#### **New TEI funding (\$ millions - figures rounded)**

Baxter Primary School – Asbestos Safety Program – modular buildings program (Baxter)	\$2,581
Clyde Primary School – modernisation – funding to plan for the committed upgrade of existing school facilities (Clyde)	\$2,280
Cranbourne South Primary School – modernisation – upgrade existing school facilities (Cranbourne South)	\$5,900
Cranbourne West Primary School – modernisation – upgrade existing school facilities (Cranbourne)	\$700
Diamond Creek East Primary School – modernisation – funding to plan for the committed upgrade of existing school facilities (Diamond Creek)	\$360
Eltham North Primary School – modernisation – upgrade existing school facilities (Eltham North)	\$450
Exford Primary School – modernisation – upgrade existing school facilities (Exford)	\$6,246
Gladstone Park Primary School – modernisation – funding to plan for the committed upgrade of existing school facilities (Gladstone Park)	\$252
Gladstone Views Primary School – modernisation – upgrade existing school facilities (Gladstone Park)	\$3,126
Hallam Primary School – Asbestos Safety Program – modular buildings program (Hallam)	\$3,586
Koo Wee Rup Primary School – modernisation – funding to plan for the committed upgrade of existing school facilities (Koo Wee Rup)	\$250
Lalor East Primary School – Asbestos Safety Program – modular buildings program (Thomastown)	\$8,900

Lang Lang Primary School – modernisation – funding to plan for the committed upgrade of existing school facilities (Lang Lang)	\$154
Monbulk Primary School – modernisation – upgrade existing school facilities (Monbulk)	\$7,100
Narre Warren North Primary School – modernisation – upgrade existing school facilities through the modular buildings program (Narre Warren North)	\$4,513
Beveridge Primary School (2020)	\$24,993
Botanic Ridge Primary School (2020)	\$24,993
Casey Fields (Five Ways) Primary School (2020)	\$24,993
Clyde North East Primary School (2020)	\$24,993
Davis Creek Primary School (2020)	\$24,993
Wyndham South (Riverwalk) Primary School (2020)	\$24,993
Edgars Creek Primary School (2021)	\$24,993
Eynesbury Station Primary School (2021)	\$24,993
Greenvale North Primary School (2021)	\$24,993
Merrifield West Primary School (2021)	\$24,993
Rockbank North Primary School (2021)	\$24,993
Thoroughbred Primary School (2021)	\$24,993
Timbertop (Officer North West) Primary School (2021)	\$24,993
Truganina South East Primary School (2021)	\$24,993
Wollahra Primary School (2021)	\$24,993
Osborne Primary School – Asbestos Safety Program – modular buildings program (Mount Martha)	\$7,984
Research Primary School – modernisation – funding to deliver previously planned works (Research)	\$5,700

**Existing TEI funding (\$ millions - figures rounded)**

Davis Creek P6 Early learning facility 2018-19 (Tarneit)	\$3,000
Botanic Ridge P6 Early learning facility 2018-19 (Botanic Ridge)	\$5,901
Wyndham South (Riverwalk) P6 Early learning facility 2018-19 (Werribee)	\$3,000
Beveridge West P6 2018-19 (Beveridge)	\$19,700
Bimbadeen Heights Primary School 2016-17 (Mooroolbark)	\$5,300
Botanic Ridge P6 2018-19 (Botanic Ridge)	\$16,500
Casey Fields (Five Ways) P6 2018-19 (Cranbourne East)	\$20,100
Clyde North East P6 2018-19 (Clyde North)	\$20,800
Davis Creek P6 2018-19 (Tarneit)	\$20,100
Don Valley Primary School 2018-19 (Don Valley)	\$170
Gladstone Park Primary School 2018-19 (Gladstone Park)	\$1,500

INTERFACE BUDGET SCORECARD 2019

DRAFT REPORT

Hoddles Creek Primary School 2018-19 (Hoddles Creek)	\$90
Lalor Gardens Primary School 2018-19 (Lalor)	\$4,095
Launching Place Primary School 2018-19 (Launching Place)	\$500
Lilydale West Primary School 2017-18 (Lilydale)	\$2,110
Melton West Primary School 2018-19 (Melton)	\$6,400
Montrose Primary School 2018-19 (Montrose)	\$3,820
Sunbury Heights Primary School 2018-19 (Sunbury)	\$700
Sunbury Primary School 2018-19 (Sunbury)	\$3,500
Tallarook Primary School 2018-19 (Tallarook)	\$150
Wandong Primary School 2017-18 (Wandong)	\$1,379
Wyndham South (Riverwalk) P6 2018-19 (Werribee)	\$23,700

## 9 SECONDARY AND CONSOLIDATED SCHOOL FUNDING SCORECARD

**Table 9.1: Secondary and Consolidated School Funding Scorecard (Includes P-9 and P-12 Schools)**

	Projects	Share of Total	TEI (000s)	Share of TEI
<b>Interface Council Areas</b>	<b>40</b>	<b>25.5%</b>	<b>\$346,444</b>	<b>29.1%</b>
Non-Interface Metropolitan Council Areas	56	35.7%	\$445,240	37.4%
Regional Council Areas	60	38.2%	\$297,216	25.0%
Statewide / unallocated / location non-specific	1	0.6%	\$101,273	8.5%
<b>Total</b>	<b>157</b>	<b>100.0%</b>	<b>\$1,190,173</b>	<b>100.0%</b>

Source: Victorian Budget Papers 2019/20

Note: Figures rounded

### ***Funded Interface Projects***

#### **New TEI funding (\$ millions - figures rounded)**

Cranbourne Secondary College – modernisation – funding to plan for the committed upgrade of existing school facilities (Cranbourne)	\$662
Diamond Valley College – modernisation – upgrade existing school facilities (Diamond Creek)	\$3,100
Dromana Secondary College – Asbestos Safety Program – modular buildings program (Dromana)	\$2,362
Edgars Creek Secondary College – Stage 2 – funding for construction works (Wollert)	\$22,800
Hampton Park Secondary College – modernisation – upgrade existing school facilities (Hampton Park)	\$3,900
Monbulk College – modernisation – funding to plan for the committed upgrade of existing school facilities (Monbulk)	\$935
Craigieburn South Secondary School (2020)	\$24,993
Pakenham Henry Road Secondary School (2021)	\$24,993
Red Hill Consolidated School – modernisation – upgrade existing school facilities (Red Hill)	\$3,200
St Helena Secondary College – modernisation – funding to plan for the committed upgrade of existing school facilities (Eltham North)	\$1,347
Staughton College – modernisation – funding to plan for the committed upgrade of existing school facilities (Melton South)	\$650
The Grange P-12 College – modernisation – funding to deliver previously planned works (Hoppers Crossing)	\$9,500
Timbarra P-9 College – modernisation – funding to plan for the committed upgrade of existing school facilities (Berwick)	\$290



Upwey High School – Next stage modernisation – upgrade existing school facilities (Upwey)	\$2,700
Warringa Park School – modernisation – upgrade existing school facilities (Hoppers Crossing)	\$12,400

**Existing TEI funding (\$ millions - figures rounded)**

Berwick Secondary College 2018-19 (Berwick)	\$1,300
Craigieburn South 7-12 2018-19 – Stage 1 (Craigieburn)	\$24,000
Cranbourne Secondary College 2016-17 (Cranbourne)	\$9,000
Diamond Valley College 2018-19 – Stage 2 (Diamond Creek)	\$1,800
Eltham High School (Eltham)	\$1,507
Epping Secondary College 2018-19 (Epping)	\$3000
Hampton Park Secondary College 2018-19 (Hampton Park)	\$2,620
Koo Wee Rup Secondary College 2018-19 (Koo Wee Rup)	\$850
Lilydale and Upper Yarra Secondary Schools Plan 2018-19 – Stage 1 (Lilydale)	\$20,000
Manor Lakes College 2016-17 – Stage 5 (Wyndham Vale)	\$10,900
Monbulk College 2017-18 (Monbulk)	\$7,578
Monbulk College 2018-19 – Stage 3 (Monbulk)	\$8,510
Mooroolbark College 2018-19 (Mooroolbark)	\$7,000
Narre Warren South P12 College 2017-18 (Narre Warren South)	\$5,020
Narre Warren South P12 College 2018-19 – Stage 2 (Narre Warren South)	\$400
Point Cook South Senior Secondary School 2018-19 (Point Cook)	\$53,000
Roxburgh College 2018-19 (Roxburgh Park)	\$3,000
Seymour College 2018-19 (Seymour)	\$6,881
St Helena Secondary College 2018-19 (Eltham North)	\$3,820
Sunbury College 2017-18 (Sunbury)	\$4,800
Sunbury Downs Secondary College 2017-18 (Sunbury)	\$3,920
Taylor's Hill Secondary College 2017-18 (Taylor's Hill)	\$23,306
The Alpine School 2018-19 (Launching Place)	\$6,500
Upwey High School 2018-19 – Stage 2 (Upwey)	\$13,900
Upwey High School 2017-18 (Upwey)	\$10,000

## 10 SPECIALIST SCHOOL FUNDING SCORECARD

**Table 10.1: Special Education Funding Scorecard**

	Projects	Share of Total	TEI (000s)	Share of TEI
<b>Interface Council Areas</b>	<b>5</b>	<b>29.4%</b>	<b>\$40,710</b>	<b>38.9%</b>
Non-Interface Metropolitan Council Areas	7	41.2%	\$26,915	25.7%
Regional Council Areas	5	29.4%	\$37,076	35.4%
Statewide / unallocated / location non-specific	-	-	-	-
<b>Total</b>	<b>17</b>	<b>100.0%</b>	<b>\$104,701</b>	<b>100.0%</b>

Source: Victorian Budget Papers 2019/20

Note: Figures rounded

### ***Funded Interface Projects***

#### **New TEI funding (\$ millions - figures rounded)**

Jacana School for Autism – Asbestos Safety Program – modular buildings program (Jacana)	\$966
Cranbourne West Secondary and Special School (2021)	\$24,993
Yarra Ranges Special Developmental School – Stage 2 – modernisation – upgrade existing school facilities (Mount Evelyn)	\$3,451

#### **Existing TEI funding (\$ millions - figures rounded)**

Sunbury and Macedon Ranges Specialist School - Sunbury Campus 2018-19 (Sunbury)	\$10,800
Yarra Ranges Special Developmental School 2017-18 (Mount Evelyn)	\$500

## 11 LAND ACQUISITION FOR EDUCATION SCORECARD

**Table 11.1: Land Acquisition for Education Funding Scorecard**

	Projects	Share of Total	TEI (000s)	Share of TEI
<b>Interface Council Areas</b>	-	-	-	-
Non-Interface Metropolitan Council Areas	-	-	-	-
Regional Council Areas	-	-	-	-
Statewide / unallocated / location non-specific	4	100.0%	\$529,953	100.0%
<b>Total</b>	<b>4</b>	<b>100.0%</b>	<b>\$529,953</b>	<b>100.0%</b>

Source: Victorian Budget Papers 2019/20

Note: Figures rounded

### ***Funded Interface Projects***

Nil

## 12 FURTHER EDUCATION FUNDING SCORECARD

**Table 12.1: Further Education Funding Scorecard**

	Projects	Share of Total	TEI (000s)	Share of TEI
<b>Interface Council Areas</b>	<b>2</b>	<b>33.3%</b>	<b>\$12,740</b>	<b>6.9%</b>
Non-Interface Metropolitan Council Areas	1	16.7%	\$9,000	4.8%
Regional Council Areas	2	33.3%	\$43,750	23.5%
Statewide / unallocated / location non-specific	1	16.7%	\$120,300	64.8%
<b>Total</b>	<b>6</b>	<b>100.0%</b>	<b>\$185,790</b>	<b>100.0%</b>

Source: Victorian Budget Papers 2019/20

Note: Figures rounded

### ***Funded Interface Projects***

#### **New TEI funding (\$000s - figures rounded)**

Box Hill Institute Integrated Centre for Sustainable Construction Technologies – funding for new facilities (Lilydale)	\$10,200
GOTAFE Health and Community Services Training Facility – funding for new facilities and re-use of existing facilities (Seymour)	\$2,540

#### **Existing TEI funding**

Nil

## 13 HEALTH FUNDING SCORECARD

**Table 13.1: Health Funding Scorecard**

	Projects	Share of Total	TEI (000s)	Share of TEI
<b>Interface Council Areas</b>	<b>2</b>	<b>3.3%</b>	<b>\$302,452</b>	<b>5.4%</b>
Non-Interface Metropolitan Council Areas	21	34.4%	\$3,294,255	58.7%
Regional Council Areas	13	21.3%	\$1,276,414	22.7%
Statewide / unallocated / location non-specific	25	41.0%	\$742,073	13.2%
<b>Total</b>	<b>61</b>	<b>100.0%</b>	<b>\$5,615,194</b>	<b>100.0%</b>

Source: Victorian Budget Papers 2019/20

Note: Figures rounded

### ***Funded Interface Projects***

#### **New TEI funding (\$ millions - figures rounded)**

Nil

#### **Existing TEI funding (\$ millions - figures rounded)**

Casey Hospital Expansion (Berwick)	\$139,780
Northern Hospital inpatient expansion - Stage 2 (Epping)	\$162,672

## 14 JUSTICE AND REGULATION FUNDING SCORECARD

Table 14.1: Justice Funding Scorecard

	Projects	Share of Total	TEI (000)	Share of TEI
<b>Interface Council Areas</b>	<b>1</b>	<b>%</b>	<b>\$14,000</b>	<b>%</b>
Non-Interface Metropolitan Council Areas	5	%	\$165,746	%
Regional Council Areas	7	%	\$1,163,853	%
Statewide / unallocated / location non-specific	37	%	\$2,563,877	%
<b>Total</b>	<b>50</b>	<b>100.0%</b>	<b>\$3,907,476</b>	<b>100.0%</b>

Source: Victorian Budget Papers 2019/20

Note: Figures rounded

### *Funded Interface Projects*

#### New TEI funding (\$ millions - figures rounded)

Nil

#### Existing TEI funding (\$ millions - figures rounded)

Wyndham Law Courts Redevelopment (Werribee)

\$14,000

## 15 ARTS AND CULTURAL FACILITIES

**Table 15.1: Arts and Cultural Funding Scorecard**

	Projects	Share of Total	TEI (000s)	Share of TEI
<b>Interface Council Areas</b>	-	-	-	-
Non-Interface Metropolitan Council Areas	-	-	-	-
Regional Council Areas	-	-	-	-
Statewide / unallocated / location non-specific	10	100.0%	\$307,244	100.0%
<b>Total</b>	<b>10</b>	<b>100.0%</b>	<b>\$307,244</b>	<b>100.0%</b>

Source: Victorian Budget Papers 2019/20

Notes: Figures rounded

### ***Funded Interface Projects***

Nil

## 16 ROADS FUNDING SCORECARD

**Table 16.1: Roads Funding Scorecard**

	Projects	Share of Total	TEI (000s)	Share of TEI
<b>Interface Council Areas</b>	<b>7</b>	<b>7.7%</b>	\$2,198,854	<b>4.7%</b>
Non-Interface Metropolitan Council Areas	8	8.8%	\$1,353,630	2.9%
Regional Council Areas	34	37.4%	\$2,561,573	5.5%
Statewide / unallocated / location non-specific	42	46.2%	\$40,814,658	87.0%
<b>Total</b>	<b>91</b>	<b>100.0%</b>	<b>\$46,928,715</b>	<b>100.0%</b>

Source: Victorian Budget Papers 2019/20

Notes: Statewide allocations include capital funding for North East Link, West Gate Tunnel and the Level Crossing Removal Program.

Interface Council areas have been allocated 75% of the TEI value for the Suburban Roads Upgrade project, with the remaining 25% allocated to Non-Interface Metropolitan Council areas.

Figures rounded

### ***Funded Interface Projects***

#### **New TEI funding (\$ millions - figures rounded)**

Narre Warren North Road upgrade (Narre Warren North) \$38,300

#### **Existing TEI funding (\$ millions - figures rounded)**

Suburban Roads Upgrade project (estimated share) \$1,701,600  
Hallam Road upgrade (Hampton Park) \$53,514  
Kilmore Bypass (Kilmore) \$33,270  
Plenty Road upgrade – Stage 2 (South Morang) \$143,409  
– O’Herns Road upgrade (Epping) \$102,803  
Yan Yean Road duplication – Stage 1 (Plenty) \$125,958



## 17 PUBLIC TRANSPORT FUNDING SCORECARD (RAIL AND BUS)

**Table 17.1: Public Transport Scorecard**

	Projects	Share of Total	TEI (000s)	Share of TEI
<b>Interface Council Areas</b>	<b>5</b>	<b>7.7%</b>	<b>\$1,992,440</b>	<b>7.3%</b>
Non-Interface Metropolitan Council Areas	4	6.2%	\$500,752	1.8%
Regional Council Areas	23	35.4%	\$3,893,274	14.2%
Statewide / unallocated / location non-specific	33	50.8%	\$21,044,489	76.8%
<b>Total</b>	<b>65</b>	<b>100.0%</b>	<b>\$27,430,955</b>	<b>100.0%</b>

Source: Victorian Budget Papers 2019/20

Notes: Statewide allocations include Metro Tunnel, Melbourne Airport Rail, Suburban Rail Loop, and New Metropolitan Trains  
Figures rounded

### ***Funded Interface Projects***

#### **New TEI (\$ millions - figures rounded)**

Cranbourne Line Duplication planning and development (metropolitan various)	\$750 000
Hurstbridge Line Upgrade Stage 2 (metropolitan various)	\$530 000

#### **Existing TEI funding (\$ millions - figures rounded)**

Cranbourne Pakenham Line Upgrades (50%)	\$269 770
Sunbury Line Upgrades (50%)	\$269 770
Wyndham Vale Stabling Yard (regional various)	\$172 900

## 18 PUBLIC LIBRARIES FUNDING SCORECARD

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### ***Living Libraries Infrastructure Program 2018 – Department of Environment, Land Water and Planning (DELWP)***

The Living Libraries Infrastructure 2016 Program provided grants of up to \$750,000, providing the following co-contributions were met:

- Libraries for metropolitan communities
  - DELWP \$1 : \$1 Local (all metropolitan councils)
- Libraries for interface councils
  - DELWP \$1.5: \$1 Local (Cardinia, Casey, Hume, Melton, Mornington Peninsula, Nillumbik, Whittlesea, Wyndham, Yarra Ranges)
- Libraries for regional cities
  - DELWP \$2: \$1 Local (Ballarat, Bendigo, Geelong, Horsham, Latrobe, Mildura, Shepparton, Wangaratta, Warrnambool, Wodonga)
- Libraries for regional and rural councils
  - DELWP \$3: \$1 Local (remaining regional and rural councils – includes Mitchell)
- Libraries for small rural councils
  - No contribution required

### ***The Living Libraries Infrastructure Program 2018 – Successful Major Grant Recipients***

The Living Libraries Infrastructure Program 2018 delivered \$51,000 to Interface Councils (1 project) out of a grant pool of \$4,120,000, which represented 1% of funding, with the remaining funding split between Non-Interface Metropolitan areas (\$2,200,000 or 53% of funding) and Regional Victoria (\$1,869,000 or 45% of funding). The Interface recipient were:

- |  |                 |
|--|-----------------|
| <ul style="list-style-type: none"> <li>• Cranbourne Library Upgrade</li> </ul> | <p>\$51,000</p> |
|--|-----------------|

## 19 COUNCIL SCORECARD

**Table 18.1: Interface Councils – Local Government Area Scorecard for Allocated Budget Funding 2019/20 and other Grants (TEI)**

	No. of Projects	TEI (\$000s)	Share of Interface Projects	Share of Interface TEI
Cardinia (C)	5	51,240	4.3%	1.6%
Casey (C)	28	733,053	23.9%	23.6%
Hume (C)	15	401,314	12.8%	12.9%
Melton (C)	6	86,588	5.1%	2.8%
Mitchell (S)	5	44,220	4.3%	1.4%
Mornington Peninsula (S)	4	16,127	3.4%	0.5%
Nillumbik (S)	10	674,042	8.5%	21.7%
Whittlesea (C)	10	517,365	8.5%	16.7%
Wyndham (C)	14	422,473	12.0%	13.6%
Yarra Ranges (S)	19	110,364	16.2%	3.6%
Growing Suburbs Fund	1	50,000	0.9%	1.6%
<b>Total</b>	<b>117</b>	<b>\$3,106,786</b>	<b>100.0%</b>	<b>100.0%</b>

Source: Victorian Budget Papers 2019/20 and Living Libraries Infrastructure Program 2018.

Notes: Does not include allocated interface funding and projects that cannot be readily split between Interface Councils, such as the Suburban Roads Upgrade project .  
Figures rounded.

## 20 KEY FINDINGS AND CONCLUSIONS

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### ***State Budget 2018/19 Funding Overview***

1. Interface Council areas have been allocated approximately \$5,555 million (over four years) in Total Estimated Investment (TEI) from the 2019/20 State Budget (including the Growing Suburbs Fund and other annual grants programs) for infrastructure in the following priority service areas:
  - Early childhood
  - Schools facilities (primary, secondary, specialist and land acquisition)
  - Further education facilities
  - Hospitals and health facilities
  - Justice and court facilities
  - Roads
  - Public transport.
2. The \$5,555 million Interface allocation (over four years) represents a slight decrease in investment compared to the previous four-year budget allocation of \$5,728 million in 2018/19; although the 2019/20 figure is higher than allocations of \$3,034 million in 2017/18 and \$2,540 million in 2016/17.
3. The largest proportion of allocated Interface infrastructure investment over the four-year period is focused on roads (\$2,199 million) – including the Suburban Roads Upgrade project, and public transport (\$1,992 million) associated the Hurstbridge Line Upgrade (Stage 2) and improvements to the Cranborne and Sunbury lines (excluding new trains).
4. The next largest allocated Interface infrastructure investment is for primary schools (\$597 million) , followed by secondary schools (\$304 million) and health (\$302 million).
5. Small four-year allocations are made for justice/courts (\$14 million) and further education (\$13 million), but no allocation for arts and culture.
6. The Growing Suburbs Fund has been allocated \$50 million in 2019/20. The Growing Suburbs Fund will continue to assist in the development of multi-purpose facilities, community centres, playgrounds and other infrastructure and spaces needed by the community.
7. The Interface received approximately \$51,000 in new library infrastructure funding through the Living Libraries Program 2018.

### ***Funding for Critical Infrastructure***

6. Over the current four-year budget period an estimated \$2,858 million in investment is required for critical infrastructure (i.e. kindergarten/preschool, schools, health, libraries and public transport) in Interface Council areas (refer to “One Melbourne or Two” updated report, Essential Economics 2018). Note that while the majority of funding is a State responsibility, funding support is also required from the Federal Government and Councils, while some infrastructure will be provided by the private sector.

7. State funding allocated in the 2019/20 budget over a four-year period represents approximately \$3,280 million (excluding the Growing Suburbs Fund) for these key infrastructure areas, which is above the required four-year requirement. Note, roads funding requirements are not included as a specific measure in the “One Melbourne or Two” report.
8. Further funding allocations (TEI) for Interface infrastructure are likely to arise from unallocated Statewide funding programs, such as:
  - \$283 million Ready for school: kinder for every three-year-old – funding for facilities to support three-year-old kinder programs
  - \$120 million for TAFE Facilities Modernisation Program across the State.
  - \$101 million allocated to provide relocatable school buildings to meet expanding demand across the State.
  - \$72 million for train station carparking across the State.
  - \$47 million for local road and infrastructure upgrades
9. In this four-year budget cycle, schools and health are adequately funded although this needs to be balanced against under-investment in previous budgets. Areas such as early childhood, public transport and libraries are underfunded, and this may result in a shortage of required infrastructure if unallocated State funds and federal contributions are not secured.
10. The estimated \$422 million ‘surplus’ in the 2019/20 budget compares to a surplus of \$233 million in the 2018/19 budget, a surplus of \$180 million in the 2017/18 budget and a surplus of \$83 million in the 2016/17 budget. This contrasts with estimated shortfalls in previous budgets of \$920 million (2015/16), \$810 million (2014/15), \$895 million (2013/14) and \$955 million (2012/13). In effect, the four-year funding allocations announced in the 2017/18, 2018/19 and 2019/20 budgets enable Interface Council areas to start ‘closing the gap’ in terms of cumulative funding deficits generated over many years.

### ***Funding Equity***

11. Interface Council areas accommodate approximately 27% of Victoria’s population and 35% of Metropolitan Melbourne’s population (ABS Estimated Resident Population, June 2018 provisional). Over the most recent 5-year period (2013 to 2018), Interface Council areas have been responsible for accommodating 42% of State population growth and 47% of Metropolitan Melbourne population growth.
12. Over the 2013 to 2018 period, the population growth rate across the Interface Council areas of +3.9% pa (representing an increase of +306,000 persons over the 5-year period) far outpaced the population growth rate in non-Interface Metropolitan Council areas of +2.2% pa (an increase of +339,000 persons over 5 years) and in Regional Council areas of +1.1% pa (an increase of +81,000 persons over 5 years).
13. Over recent years Interface Council areas have started to receive State funding more closely aligned to their share of total population numbers and share of population growth. However, cumulative budget deficits over many years have resulted in significant underfunding in the Interface resulting in a growing gap in provision

compared to Non-Interface Metropolitan Council areas. Regional Council areas continue to receive a higher level of funding compared to their population levels and growth rates.

14. The 2019/20 Budget allocated 34% of new allocated funding to Interface Council areas, which marks a significant decrease from the 46% allocated in the 2018/19 budget, although this level is higher than the 24% allocated for new infrastructure investments in the 2017/18 budget.
15. When new and existing funding is considered over the four-year forward estimates, Interface Council areas received 26% of total allocated investment for key infrastructure items, and this compares to 29% funding for Non-Interface Metropolitan Melbourne Council areas and 45% funding for Regional Council areas.
16. In the 2019/20 Budget, Interface Council areas were allocated 56% of funding for primary schools, 53% for consolidated schools (secondary and primary combined), 39% for specialist schools 36% for roads and 31% for public transport.
17. Just 6% of allocated State health funding was directed towards Interface Council areas in the 2019/20 Budget, and this contrasts with 68% of funding for Non-Interface Metropolitan Council areas and 26% for Regional Council areas; while further education funding for Interface Council areas was 20%, compared to 69% allocated to Regional Council areas.
18. Interface Council areas received no direct funding allocations for further education or arts and cultural facilities in the 2019/20 Budget.
19. Interface Council areas received a specific \$50 million allocation through the Growing Suburbs Fund to be spent in 2019/20 for community infrastructure projects.
20. Importantly, the population of Interface Council areas is forecast to continue growing at a faster rate than non-Interface Metropolitan Council areas and Regional Council areas over the next 15 years. The State Government's Victoria in Future 2016 (Department of Environment, Land, Water and Planning) shows that by 2031 Interface Council areas will accommodate 2,335,750 persons (an increase of +765,400 persons compared to 2016 population levels) and the Interface's share of state population will increase from 24% in 2016 to 30% in 2031. In view of these population projections, it is clear that significant and sustained infrastructure funding will be required to support the needs of Interface communities over the coming decades.

### ***Interface Economic Development and Investment and Output Trends***

#### **Employment**

21. The unemployment rate in Interface Council areas was 5.7% as of December 2018. This is higher than rates for both Non-Interface Metropolitan Council areas (4.7%) and Regional Council areas (4.9%). As of December 2018, 38% of all unemployed persons in Metropolitan Melbourne were labour force participants from Interface Council areas (approximately 51,320 persons), which is higher than the 33% labour force contribution these Interface areas make to Metropolitan Melbourne's overall labour force.
22. ABS Place of Work data (2016) shows local job provision in Interface Council areas is very low at only 0.57 jobs per workforce participant. The 2016 figure represents only a slight

improvement in provision over the past decade from 0.55 jobs per workforce participant in 2006. In contrast, Non-Interface Metropolitan Council areas continue to provide approximately 1 job per workforce participant, while job provision in Regional Council areas has improved over the past decade from 0.83 jobs per workforce participant in 2006 to 0.90 jobs per workforce participant in 2016.

### **Investment**

23. In 2018, Interface Council areas secured 26% of all new building investment (measured by the value of approved building permits) across the State which is the same proportion than in 2017 and in 2012 (when the trend series begun). New building investment equated to \$10.2 billion over the year, up from \$9.2 billion the previous year and \$4.4 billion in 2012. The 2018 figure represents an expansion in new building investment in the Interface of approximately +\$1.0 billion (or +10.4%) over the 12 months, which is similar to investment uplifts experienced in Non-Interface Metropolitan Council areas (+9.9%) and Regional Council areas (+9.9%) over the year.
24. New building investment tends to vary by year due to the 'bulkiness' of certain major investments, and such variations therefore need not necessarily relate to macro-economic conditions. In this regard an assessment of the longer-term trend is more useful. Five-year investment trends for Interface Council areas show an increase in new building investment from \$4.4 billion in 2012 to \$10.2 billion in 2018, which equates to an average annual growth rate of +15% in investment over the period. This is below the investment trend for Non-Interface Metropolitan Council areas (+17% pa), but well above the investment trend for Regional Council areas (+11% pa) over the 2012-2018 period.
25. The main focus of investment in Interface Council areas in 2018 remains domestic dwelling construction (\$7.6 billion or 75% of all investment), which represents an increase of +\$0.6 billion (or +9%) over the 12 months. Over the same period the Interface's share of statewide domestic dwelling investment increased from 37% in 2017 to 38% in 2018, highlighting the ongoing importance of Interface Council areas in providing new dwelling supply to support Victoria's expanding population.
26. It is important to recognise most of the Interface's new dwelling supply is developed on greenfield sites which generally have low levels of supporting infrastructure and services; which is in contrast to brownfield/infill dwelling development in inner metropolitan areas which is generally well supported by established infrastructure and services.
27. In 2018 Interface Council areas secured a smaller proportion of new State building investment in hospital/healthcare (17%, down from 21% in 2017), while the proportion of State investment in new public buildings increased from 18% in 2017 to 23% in 2018. The long-term trend for these key areas of community infrastructure investment shows Interface Council areas securing 18% of hospital/healthcare building investment (compared to 55% for Non-Interface Council areas and 27% for Regional Council areas) and 23% of public building investment (compared to 56% for Non-Interface Council areas and 21% for Regional Council areas).
28. Between 2017 and 2018, Interface Council areas recorded a decrease in commercial building investment from \$787 million to \$763 million, but increases in industrial building investment from \$160 million to \$229 million, and retail building investment from \$307 million to \$372 million. The longer-term trends for these sectors shows Interface Council areas securing

17% of State commercial building investment compared to 71% for Non-Interface Council areas and 12% for Regional Council areas; 27% of industrial building investment compared to 40% for Non-Interface Council areas and 33% for Regional Council areas; and 21% of retail building investment compared to 65% for Non-Interface Council areas and 15% for Regional Council areas.

### **Economic Output**

29. Economic output data for 2017/18 (latest available from id National Indicators data), as measured in Gross State Product (GSP), highlights the relative lack of economic infrastructure, capital investment, established industry sectors, supply chains and employment in Interface Council areas. Interface Council areas contributed just \$63 billion (or 16%) to Victoria's GSP of \$387 billion for the 2017/18 financial year.
30. The proportional contribution of Interface Council areas to Victoria's GSP in 2017/18 of 16% represents an increase from 13% in 2010/11.
31. However, the GSP contribution of Interface Council areas (16% in 2017/18) remains well below those of Non-Interface Metropolitan Council areas (64%) and Regional Council areas (19%), with these ratios only shifting marginally between 2010/11 and 2017/18, as shown in Table 6.1.
32. This data highlights the fact that many Interface labour force participants are involved in economic-generating activities outside the Interface (predominantly in other metropolitan areas), as Interface Council areas contribute 26% of the total State labour force, but only generate 16% of Victoria's GSP, as noted above.
33. In contrast, Non-Interface Metropolitan Council areas provide 52% of total State labour force and generate 64% of Victoria's GSP, while Regional Council areas provide 22% of the State's total labour force and generate 19% of Victoria's GSP (Labour force data relates to December 2018).

### **Conclusions**

- The 2019/20 Interface Scorecard broadly reflects recent trends in improved funding for Interface Council areas; albeit in the context of a significant uplift in infrastructure spending across the State in recent years.
- However, insufficient infrastructure funding continues in particular areas (e.g. early childhood, health, libraries, and arts and cultural facilities) and the gap in infrastructure provision needs to be closed further in other areas (e.g. schools, public transport, roads etc) to make up for previous state underfunding.
- The \$50 million fund for Interface community infrastructure (Growing Suburbs Fund) included in the 2019/20 budget represents a total investment of \$250 million over the past five years.
- While notable State funding improvements are now occurring regarding infrastructure in Interface Council areas, the impact of long-term underfunding for critical infrastructure is highlighted by economic indicators which continue to show relatively high unemployment rates, low levels of non-domestic building investment (commercial, industrial, hospital/healthcare, public buildings etc), and low economic output (GSP) associated with Interface Council areas.



- It is therefore important that improved funding levels observed in recent budgets are sustained and expanded across all critical infrastructure areas to ensure Interface Councils are adequately provided for to accommodate 45% of state population growth and 55% of metropolitan population growth forecast over the coming 15 years.