



INTERFACE COUNCILS

Submission for the Liberal National Coalition's
Population Policy

March 2017

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INTRODUCTION

The interface region¹ is home to over 1.3 million people and is currently facing unprecedented growth. It represents seven growth areas and 10 councils that collectively manage 90 percent of green wedges, some of Melbourne's most important assets in terms of biodiversity, sustainability, agricultural productivity and economic development.

During the last ten years, population growth in interface areas has significantly exceeded the State average, accounting for over half of the population growth occurring in Melbourne and nearly half of the entire State's population growth.

Despite the urban growth that has and continues to occur, government policy and expenditure has failed to ensure the provision of essential infrastructure and services to keep pace with this population growth. This has left residents in interface areas living without access to the same relative level of services and infrastructure as people living closer to Melbourne or people living in regional cities. Moreover, it has compounded a level of disadvantage on Melbourne's fringe that is not conducive to the claim that Victoria is the most liveable state in Australia, nor that Melbourne is one of the most liveable cities in the world.

Interface Councils commend the Liberal National Coalition on recognising the need for a population policy to address the enormous growth Victoria continues to face. While the proceeding point may be an obvious one, history would suggest that it has not been understood by governments; it is absolutely imperative that any policy aimed at addressing population growth sufficiently acknowledges where the growth is *actually* occurring. Furthermore, it must:

- act on the need for forward planning and early delivery;
- recognise the growing pressures associated with the management and maintenance of infrastructure to ensure it is fit-for-purpose and;
- drive a whole of government approach to responding to growth and capitalising on the enormous opportunities that exist in Melbourne's outer suburbs, to increase access to local jobs and services and boost the State's overall economic and social outcomes.

The following submission outlines a number of issues and solutions that Interface Councils strongly believe should be recognised in a population policy. Interface Councils thanks the Coalition for the opportunity to provide input.

¹ Interface Councils is a group of ten municipalities that form a ring around metropolitan Melbourne, comprising Cardinia Shire Council, City of Casey, Hume City Council, Melton City Council, Mitchell Shire Council, Mornington Peninsula Shire Council, Nillumbik Shire Council, City of Whittlesea, Wyndham City Council and Yarra Ranges Shire Council.

THE PAST

Living on the fringe of Melbourne has long been an attractive option for many new Victorians, as well as those long-term Victorians looking for a change. The outer suburbs of Melbourne offer the promise of more space, more affordable housing and an opportunity for a hybrid of both urban and rural living.

As highlighted in the *One Melbourne or Two* report (Essential Economics, 2012), from 2001 to 2010, Melbourne experienced a significant population boom that saw more than 600 thousand people move to the city, 6 in 10 of which settled on the city's fringe.

Table 1.1: Historic Population Trends, Selected Locations 2001 to 2010

	2001	2005	2010	Change 2001-10	AAGR 2001-10
Interface Councils	986,810	1,112,640	1,319,470	+332,660	+3.3%
Metropolitan Melbourne (excluding Interface Councils)	2,513,220	2,599,600	2,792,610	+279,390	+1.2%
Melbourne Statistical Division	3,471,630	3,680,610	4,077,040	+605,410	+1.8%

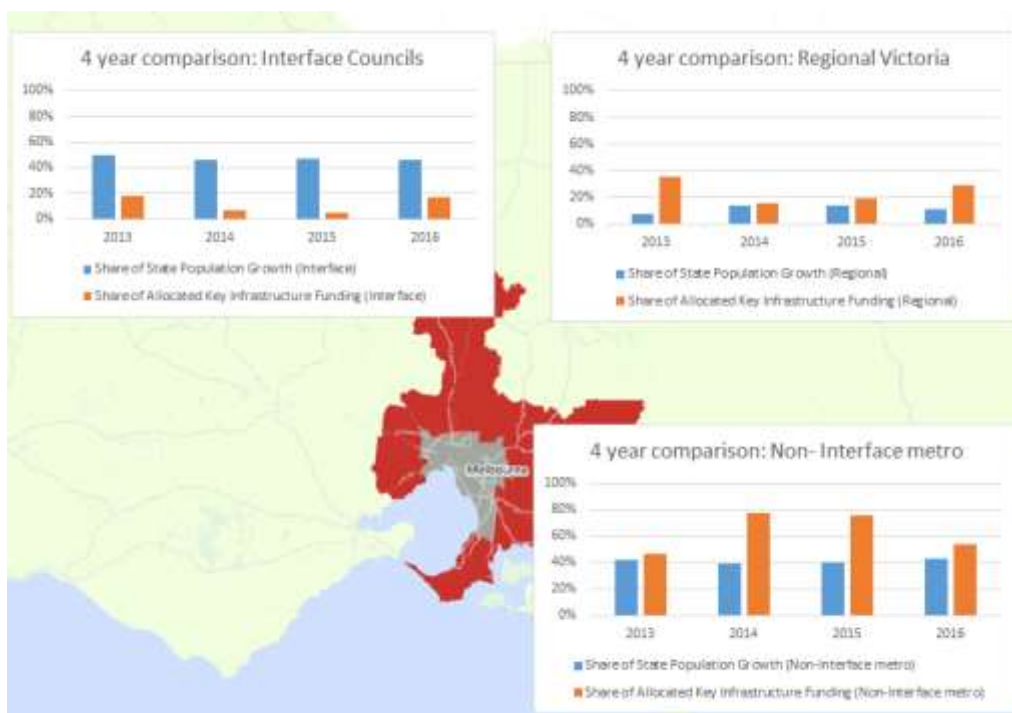
Source: ABS Regional Population Growth, Australia, Cat. No. 3218.0 *Note - AAGR - Annual Average Growth Rate. Figures rounded

The enormous influx of new residents to Melbourne's outer suburbs comprised a high number of young families as well as a large portion of culturally and linguistically diverse communities, attracted to the opportunity of home ownership and affordable rental properties. These were cohorts which displayed lower than average social and economic well-being, as per indicators such as SEIFA and VAMPIRE.

Government foresight for the immense growth and change in demographics that occurred over this period, despite forecasting, was inadequate. Understanding a large focus of any government is to deliver on the immediate needs of the State, history would tell us that without appropriate forward planning for future pressures, the cost and complexity of ensuring communities are liveable, increases significantly.

The lack of forward planning, has also been compounded by a significant imbalance in the allocation of funding with respect to population growth, in other words 'the immediate needs'. Figure 2 demonstrates the historical nature of this trend.

Figure 2 - Percentage Share of Population Growth (2013-16) v Percentage Allocated Funding (TEI), By Geographical Region



As identified by the *One Melbourne or Two report*², the failure to see what was coming and respond to it once it had arrived, resulted in a \$9.5 billion gap in infrastructure and services and a concerning level of disadvantage in interface areas. The socio-economic profiling and benchmarking analysis in *One Melbourne or Two* clearly articulates this disadvantage, showing that in comparison to metropolitan Melbourne averages, Interface areas are characterised by:

1. Relatively high level of socio-economic disadvantage, as highlighted through SEIFA and VAMPIRE
2. Relatively low average incomes
3. Relatively low educational outcomes
4. Evidence of poorer health outcomes
5. Relatively high level of youth disengagement with regard to higher education and workforce participation
6. Significant deficits in the provision of local employment opportunities
7. Relatively low provision of professional jobs
8. Relatively high unemployment rates
9. Relatively low provision of higher order services (hospitals, TAFEs, Courts etc.)
10. Relatively low provision of arts and cultural services (libraries, arts centres etc.)
11. Poor provision of public transport options
12. Heavy reliance on vehicle-based travel

As Victoria's population has continued to expand and change, a key objective of governments has been to ensure liveability across the State. A widely accepted definition of liveability in Victoria comes from the Victorian Competition and Efficiency Commission (VCEC) in its 2008 report, *A State of Liveability: An Inquiry into Enhancing Victoria's Liveability*.

Liveability reflects the wellbeing of a community and comprises the many characteristics that make a location a place where people want to live now and in the future (p10).

The specific characteristics of liveability outlined by VCEC include: community and economic strength, social and built infrastructure, amenity and place, environment and sustainability, citizenship and participation, leadership and good governance, and innovation.

The disadvantage indicators outlined above reflect the liveability challenges that have been created and compounded by past decision-making and policy. It has left communities without critical infrastructure and services, without access to local jobs and services, increased the amount of time spent in traffic and away from the family, and in many instances, it has overlooked key opportunities to boost the social and economic outcomes for more than 1.3 million local residents as well as the State.

Importantly, it is not just Interface Councils that have identified the liveability challenges created in the outer suburbs of Melbourne. They have also been highlighted by several Parliamentary reports, notably, by the Victorian Auditor General. *The Parliamentary Inquiry into Liveability Options in the Outer Suburbs (2012)* found:

- A significant lag in the provision of services, social infrastructure and physical infrastructure, particularly transport infrastructure in the form of roads and public transport
- A significant decline in housing affordability, which has had a disproportionate impact on residents of Melbourne's outer suburbs due to the relatively greater living costs that they face;
- The existence of pockets of relative socio-economic disadvantage, as well as reduced social participation and social cohesion due to the relative isolation of some outer suburban communities;
- A relative lack of access to parks and public open space, as well as to private open space; and
- Relatively poor access to medical, health and support services, as well as poorer health outcomes.

As always, history presents many learnings. The Coalition's Population Policy discussion paper highlights that: *"Ultimately, it is all about protecting our liveability well into the future" (page 20.)* To do this, it is critical that any population policy utilises the advantages of hindsight and sufficiently acknowledges and addresses the challenges created by past oversights, puts measures in place to prevent them from occurring again and ensures there is a robust framework that responds to and preempts the realities of current and future population growth.

² *One Melbourne or Two: Implications of Population Growth for Infrastructure and Services in Interface areas*- Essential Economics, 2013

THE PRESENT

Today, the population growth occurring in Interface areas is increasing while the underinvestment in infrastructure and services, and the liveability challenges and disadvantage indicators remain. However, now there not only large numbers of young families and culturally diverse backgrounds living and moving to Melbourne's outer suburbs, but a rapidly expanding aged population and, high levels of disengaged youth, many whom have grown up in and been impacted by the disadvantaged circumstances highlighted above.

These demographics reflect high-need communities who have a greater dependence on infrastructure and services in their local area. Failure to address the implications of the past, and adequately invest in jobs, services and infrastructure will continue to compromise outcomes for these residents and place and exacerbate the financial implications for governments even further.

When combined with the horizontal spread of population growth, the challenges of ensuring liveability have intensified. It requires all levels of government to service not only higher demand, but far greater geographical distances.

Funding context

While the 2016/17 Interface Councils Budget Scorecard³ identifies there are state funding improvements now occurring with regard to new capital investment in interface areas, including \$1,914 million for key infrastructure which is above the \$1,831 million required for the next four years, it does not balance out against under investment in previous budgets. The estimated \$83 million 'surplus' in the 2016/17 budget compares to estimated shortfalls of \$920 million in 2015/16, \$810 million in the 2014/15 budget, \$895 million in 2013/14 and \$955 million in 2012/13. In effect, the four-year funding allocations in the 2016/17 budget enable Interface Councils to start to 'close the gap' created by cumulative funding deficits generated during previous years.

Furthermore, Interface Council areas are still not receiving funding allocation proportionate to population growth. The 2016/17 scorecard highlights that despite accommodating 46 per cent of the State's population growth, Interface areas received only 17 percent of Total Estimated Investment.

This signifies there are still fundamental issues in the way the delivery of infrastructure and services across Victoria are prioritised. To date, the impact of the imbalance in proportionate funding with respect to population growth remains entrenched in interface communities. Not only do the levels of disadvantage remain higher than average, but economic indicators continue to show high unemployment rates, low levels of non-domestic building investment (commercial, industrial, hospital/healthcare, public buildings etc.), and low economic output (GSP).

Interface Councils acknowledges the fiscal environment for all levels of government is tight. However, without a greater emphasis on needs-based analysis, it does not see how population growth can be managed in way that ensures all Victorians are afforded an equal quality of life. It is important to note, the key beneficiaries of any investment in Interface areas are not just the communities that live in the area; if the level of service and infrastructure capacity can be increased there will also be enormous productivity and serviceability gains for all people living in Victoria. Furthermore, it will start to address the ever-looming pressures on Victorian State Government budgets and go a long way in mitigating the increased long-term social costs associated with inaction.

The concept of regionalisation

Interface Councils understand the logic behind providing appropriate policy and funding to boost the attractiveness of regional areas in Victoria, as a place to settle for new Victorians. Like all areas in Victoria, appropriate support should be provided to ensure they can be as productive and liveable as possible.

However, Interface Councils would like to stress that despite a number of initiatives undertaken by many levels of government, for example the establishment of Regional Development Victoria, as well as increased investment in regional

³ Interface Councils Budget Scorecards 2013-2016 can be provided on request

areas such as the State's \$1 billion Regional Growth Fund and the Federal Government's Building Better Regions Fund (formerly the National Stronger Regions Fund), residents continue to choose metropolitan Melbourne as their place of residence and more specifically, almost 50 percent are choosing the outer suburbs.

While the need to identify innovative solutions to ease the pressure on inner and outer metropolitan areas, is acknowledged, Interface Councils emphasise that as governments endeavour to do this, they cannot ignore the current realities. Any population policy must speak to the current trend, and recognise the validity of future projections regardless of the objectives to change these trends in the future.

THE FUTURE

The Hon Matthew Guy notes in his opening of the Population Policy discussion paper that the Coalition's Population Policy is about "keeping Victoria the magnificent place that it is."

Interface Councils supports this goal and has been doing everything it can to ensure that the municipalities on Melbourne's fringe reflect this assessment of the State. However, given the magnitude of the issues facing the outer suburbs, there are several priority areas that require critical attention from state governments to ensure we can address the challenges that could compromise this.

The priorities outlined below encompass the issues as well as potential solutions that can be implemented moving forward. Many of the issues identified are part of a complex interplay of factors that are contributing to the broader liveability challenges in interface areas. Several of them depend on each other to deliver the positive outcomes they offer and it is for this reason, that a whole-of-government approach to population growth is needed now, more than ever.

1. Collaboration and integration

Interface Councils is committed to working with all levels of government, and strongly supports a whole of government approach to managing and responding to growth, as identified by the Coalition's discussion paper. Interface Councils has established several partnerships with state government departments and agencies over recent years which have resulted in some great outcomes including the collocation of facilities and alignment on arterial road priorities. Interface Councils believes that the partnerships it currently has, reflect a genuine and growing commitment to this approach across the sector and, a significant opportunity to capitalise on this commitment. However, governments of the day must ensure the following are at the core of this approach for it to be truly effective:

- All agencies, departments and levels of government have access to and can share data inform robust analysis, planning and decision-making.
- Longer-term planning cycles (four to eight years) are adopted to ensure all agencies, departments and levels of government can appropriately plan and budget for the most effective and efficient responses.
- Early delivery of infrastructure and services to avoid social isolation and disadvantage.
- Recognition of the need to prioritise the maintenance and renewal of existing infrastructure to cater for increased demand and changing demographics.
- A high level of accountability with adequate and independent resources allocated to govern this accountability.

2. Urban planning and support

Over the years, governments have established mechanisms to assist with planning for the needs of new communities. The Precinct Structure Plan (PSP) process is currently the primary method of planning for growth to address the needs of future communities. However, funding to implement these plans is primarily dependent on local government revenue, Developer Contribution Plans (DCPs) and adhoc state and federal government grants.

When a PSP is approved by the Department and the Minister, it allows development to occur. While a precinct becomes populated, the developers' contribution and council investment does not cover the amount required to construct all the essential infrastructure, resulting in unfunded liabilities. It is estimated that collectively; the growth areas are facing unfunded liabilities of more than \$1 billion for existing, approved PSPs. This will be compounded in the future by the recent changes to DCP legislations that resulted in a reduction in share of infrastructure costs covered by DCPs.

While planning is absolutely key to managing, and responding to population growth, funding is perhaps the most critical, as the best laid plans are only as good as the money that ensures they can be delivered. Any population policy must address current liabilities and seek to establish a strategy for ensuring future liabilities are minimised as much as possible.

Out-of-sequence development is another key issue with the current PSP system. Despite PSPs encouraging development to occur in a sequential manner, there is no preferred sequence of land release in the PSP's. Growth area councils have very limited influence on approaches to sequencing and the delivery timeframes for infrastructure funded through

Developer Contribution Plans, however they play a primary role in managing and funding the impact of short and long term consequences that result from disparate and unstructured development and provision of state infrastructure such as schools.

In addition, review and improvement of land use planning processes for Interface areas from the time of designation to the delivery of required physical infrastructure, social infrastructure and health, social and community services, is required. It is important that this integrated planning is sustained to include community development and community strengthening activities for the first ten to twenty years of the life of a new community.

3. Infrastructure

For many years, Interface Councils have been advocating strongly for the provision of essential local infrastructure, with particular focus on community infrastructure due to the enormous back log.

In the lead up to the 2014 election, Interface Councils advocated for a dedicated fund to help bridge the gap in community infrastructure in Melbourne’s outer suburbs, as well as increased funding for other significant improvements including to roads, public transport, education and green wedges.

Interface Councils was pleased to see the Coalition make a number of election commitments that would address many of these areas. Notably, the commitment to a \$120 million infrastructure fund for interface areas. We applaud the Coalition for being the first to recognise the need for a dedicated fund for outer metropolitan Melbourne, and the support it has shown for the outcomes of Growing Suburbs Fund to date. This is a fund that has had an immense impact on improving access to childcare, community and recreation facilities. In just two years, it has provided more than 70 projects with funding support, enabling them to be delivered years earlier than previously possible and subsequently increasing the social support, participation and community strength that interface areas are urgently require.

The commitment from both sides of politics provided Interface Councils with some confidence that the needs of outer suburban communities were starting to be recognised.

While the \$100 million investment in community infrastructure provided to date is a positive step, it is a small step in what is a long way to bridging the gap in critical infrastructure and services in interface areas. Table 1 outlines that almost \$650 million is required to deliver the necessary capital community and recreational projects over the next four years.

Table 1- 4-Year Capital and Community and recreational Projects (2015/16 to 2018/19)

	2015/16	2016/17	2017/18	2018/19
	Net Cost \$	Net Cost \$	Net Cost \$	Net Cost \$
Recreational Facilities	128,906,000	101,317,435	77,773,300	53,553,250
Community Centres	116,461,125	41,166,125	31,360,000	42,080,000
Children’s Facility	14,308,229	14,493,813	15,058,243	7,733,583
All Facilities Annual Total	259,675,354	156,977,373	124,191,543	103,366,833
All Facilities 4 Year Grand Total				\$644,211,103

During the past four years Interface Councils, has developed an annual community infrastructure priority projects list (available on request) to demonstrate the extensive backlog and nature of urgently needed community infrastructure that can continue to be brought to fruition with appropriate government support. The 2016/17 list⁴ demonstrated that combined with more than \$341 million in local government contributions, more than \$39 million from Federal Government and more than \$49 million from DCPs and the private sector, a State Government investment of \$100 million would leverage an estimated \$342 million worth of economic value and generate a substantial number of construction and ongoing jobs.

While Interface Councils is grateful for the funding that has been provided thus far, year on year commitments to funding have been challenging. It has provided Interface Councils with no certainty about the funding support that will be available

⁴ Interface Councils Community infrastructure priority projects list can be provided on request

in the future. This significantly restricts the ability to plan for the most effective and productive options that increase access to community facilities for as many residents as possible and, enable regional projects to be considered.

Community infrastructure is at the core of the liveability of both new and established communities. It supports healthy and vibrant communities through delivering and upgrading spaces for services to deliver social support, provides places for people to come together and promotes social and active participation.

The policy adopted by the Coalition in the lead up to the 2014 election was a positive step towards starting to address the pressures of population growth and change in Interface areas. Interface Councils strongly believes there is an imperative need for the Coalition's policy to reflect its commitment in 2014, by ensuring the Population Policy encompasses a long-term commitment to a dedicated fund of \$100 million per annum for Interface areas. A dedicated fund of this quantum that has long-term certainty will enable all levels of government to work together to continue to close the gap in required new capital works, ensure existing infrastructure can meet increased demand and cater to changes in demographics, and ultimately build strong, inclusive communities on Melbourne's fringe. Importantly, proper levels of investment in interface areas will assist in mitigating long-term social problems and more extensive and expensive intervention in the future.

4. Transport, connectivity and congestion

The Victorian Auditor General Office's (VAGO) report *Developing Transport Infrastructure and Services for Population Growth Areas* tabled in the Victorian Parliament in 2013, reaffirmed the inadequacy of transport services in Interface areas, calling for urgent investment, "the state has failed to deliver the transport infrastructure and services needed to support rapidly growing communities." (page vii)

The need for improved public transport in outer metropolitan Melbourne has been further reaffirmed in Infrastructure Victoria's 30 Year Infrastructure Strategy (2016.) Its recommendations included expansion of local bus services in growth areas, a program of upgrades to outer metropolitan arterial roads, and several rail projects in Interface areas including the Geelong/Werribee/Wyndham rail, Clyde rail extension and the Melton and Wallan rail electrifications.

It is important that any population policy recognises these independent assessments and the enormous impact that insufficient transport options and significant congestion have on communities who do not have the same level of have access to **local** jobs, services and education, as other parts of Melbourne and Victoria.

Roads

For too long road infrastructure in Interface areas has not kept pace with rapid population growth, changing employment landscapes and the development of new communities.

Every day, Interface residents spend hours stuck in gridlock. This generates enormous social and financial pressures on interface residents who often must leave their municipality to get to access jobs, education and services. It increases the time people spend away from their friends and families, the financial burden on families through significant fuel costs and it reduces the ability to attract non-residential investment to Interface areas.

Interface Councils strongly support ongoing maintenance and improvement programs on Melbourne's outer arterial roads to help alleviate current congestion. Furthermore, to ensure that the impact of significantly increased loads on these roads that has resulted from rapid population growth, does not compromise the safety of Victorian road users. Understanding that Government expenditure is limited, and that there is an over-demand for road funding across the State, Interface Councils has been working collaboratively with VicRoads to develop and agree on an equitable prioritisation criterion for arterial road improvements.

This process allowed Interface Councils, in consultation with VicRoads, to identify priority road projects using the agreed prioritisation criteria and methodology to ensure alignment at both local and state government level. Interface Councils priority roads list⁵ details 47 road projects that would go a long way to improving the arterial road system in outer

⁵ Interface Councils Priority Roads list can be provided on request

metropolitan Melbourne. Notably, it has also been identified that a key barrier to timely improvements in interface areas has been a lack of adequate funding to conduct the appropriate planning and development activities (business cases) required to be considered for state government funding.

Another key issue relating to the pressure of population growth on the outer suburban road network is the delay in the declaration of the arterial roads. Despite reviews of the guidelines relating to the declaration of arterials there is still a significant lack of transparency and accountability for reviewing the function and operation of existing arterial roads in response to changes in land use, travel patterns, and increased traffic. This imposes a substantial financial burden on Interface Councils who are forced to carry the costs that should be covered by state government. The timely transfer of local roads to state responsibility once they reach a certain threshold is critical to ensuring they receive the appropriate maintenance and are safe for Victorian drivers.

Public transport

There is a pronounced under-provision of public transport services in Interface areas. Particularly stark, is the lack of bus services that not only provide direct access to jobs, education, services and other opportunities, but underpin connectivity with other public transport services such as rail.

The provision of bus services continue to be largely below what are considered minimum service levels⁶ (MSL). Each Interface Council has identified large areas of residential land, including in established areas that are not served by bus routes. The facts are as follows:

- Interface Council residents have access to 1.5 public transport routes per 10,000 population; half the rate of Metropolitan Melbourne residents who have access to 3.0 public transport routes per 10,000 population.
- 100,000 residential Interface Council households do not have a bus route within 400 metres.
- 150,000 residential Interface Council households are not serviced by a bus route that operates at MSL.
- Over half the subdivisions completed in the past five years have no bus service.
- Based on current service levels, by 2026, 63% of residential Interface Council households will not have a bus route within 400 metres of their property

The Auditor General's report referenced earlier (Developing Transport Infrastructure and Services for Population Growth Areas), reaffirmed the inadequacy of transport services in Interface areas.

“Over many years, the state has failed to deliver the transport infrastructure and services needed to support rapidly growing communities. This is adversely impacting accessibility, and risks the future liveability of metropolitan Melbourne.”

Moreover, the Australian Research Council (ARC) report by Currie and Deboss (2010) recognised that outer suburban families are forced into car ownership, placing low-income families into ‘transport poverty’ whereby the amount they spend on car ownership is more than they can reasonably afford. Interface residents are extremely car-reliant (83% private car use, compared to Inner Melbourne 46% private car use) and often have no discretion to use alternative modes of transport. This is a major contributor to isolation for young people who do not have their license or a car, as well as elderly residents who are no longer able to drive.

Given the extent of the issue and lack of action, Interface Councils completed an engagement project with local bus operators in 2015, with the support of PTV. This project identified short, medium and long-term priority bus service improvements that could be implemented to significantly improve connectivity to jobs, services, education and other opportunities. Many of the identified bus service improvements were enhancements that would come at little to no cost to state government and would significantly increase accessibility as well as patronage. The improvements identified and agreed on by councils and bus operators, were presented to PTV who confirmed the majority of them align with state priorities.

⁶ MSL is service availability within 400 metres of residential areas with frequencies of one hour between 6.00 a.m. and 9.00 p.m. Monday to Friday, 8.00 a.m. and 9.00 p.m. on Saturdays and 9.00 a.m. and 9.00 p.m. on Sundays

However, it is apparent that implementation bus service improvements in the outer suburbs requires a significant increase in recurrent funding. This was also articulated by the VAGO's report which identified that \$197 million dollars in recurrent funding would be required to address the identified service gaps across metropolitan Melbourne. Following discussions with PTV, Interface Councils have estimated that to implement the proposed high priority improvements listed in the PTV Interface Engagement Program Report⁷, an increase of \$30 million in recurrent investment, annually.

Interface Councils strongly encourages the Coalition to give due focus to bus services in its population policy. Benefits of increased operation expense funding will include reduced road congestion, improved public transport use and frequency and less reliance on additional cars as the primary mode of transport that many residents cannot afford.

5. Provision of services

A goal of all governments is to create thriving, healthy and productive communities and this is Interface Councils' highest priority. To ensure this goal can be reached, all levels of government as well as private and not for profit sectors must work together to ensure communities have access to health and human services no matter where they live.

In 2013-2014, the Human Services Directors from all Interface Councils led a project, *Creating Liveable Communities in the Interface*, which consolidated years of research into Melbourne's outer suburbs and profiled the needs of each municipality within the Interface. It identified that each municipality faced their own idiosyncratic social challenges, but shared a geographical separation from inner-Melbourne areas and a notable service and program divide resulting in systemic inequity of access to base level health and community services that support families. The project found:

"The provision of the full range of support services and programs is essential to the health and wellbeing of Interface residents. Three parliamentary reports [into Melbourne's outer suburbs] examine a number of areas including education, community, health and medical, transport and information services. All of these services and programs are found to be lacking for a large number of Interface residents and disturbing social outcomes around family violence; physical and mental health; youth disengagement; socioeconomic disadvantage and social isolation are emerging and becoming entrenched."

The majority of Melbourne's medical and health services are located in established areas close to Melbourne's CBD. Although only 20% of the population live within 10 kilometres of the CBD, over 40% of health care providers are based in this area."

Several years on, this service provision gap remains a significant concern for Interface Councils. The impact of the service provision gap is demonstrated by key indicators highlighted in the 2014 DHHS LGA Profiles (attachment 1), which include:

The mean LGA percentage measure of:

- (i) **GPs per 1,000 pop'n** for Interface Councils was 0.97 which is 19.17% lower than that of metropolitan Melbourne (1.2).
- (ii) **Allied health sites per 1,000 pop'n** for Interface Councils was 0.55 which is 31.25% lower than that of metropolitan Melbourne (0.8)
- (iii) **Dental services per 1,000 pop'n** for Interface Councils was 0.19 which is 36.67% lower than that of metropolitan Melbourne (0.3)
- (iv) **Persons with poor dental health** for Interface Councils was 6% which is 22% higher than that of the metropolitan Melbourne (4.90%)
- (v) **Infants fully breastfed at 3 months** for Interface Councils was 46.40% which is almost 11 % lower than that of metropolitan Melbourne.
- (vi) **Child FIRST assessments per 1,000 pop'n** for Interface Councils was 8.45 which is 28% higher than that of metropolitan Melbourne (6.60)

Key challenges relating to service provision in Interface areas, include the ability to attract services to the outer suburbs as well as outreach programs that become ineffective when service providers are able to meet their targets for funding by delivering services in areas that are classified as the target region but are actually a significant distance from Interface

⁷ The PTV Interface Engagement Program Report is available on request

areas. For example, meeting targets for the south-east region by delivering services in Dandenong. While it must be acknowledged that outreach programs can be very effective, it is imperative there are appropriate measurement mechanisms in place to assess the effectiveness in reaching local communities as well as the sustainability of the model.

As a result of the continuing service gaps, Interface Councils has recently commissioned *Supporting Interface Families*, a major piece of research to determine service gaps in interface areas based on a foundation service model⁸. Stage 1 of the research established an agreed foundation service model which identified minimum and essential service needs across three distinct life stages of families living in interface are: early years (birth to eight years), middle years (nine to 12 years), and young people (13 – 18 and 19 – 25 years). Furthermore, the *Supporting Interface Families* research report prepared by Mach Consulting (formerly 42 Squared Consulting), details the following key findings and recommendations:

- there is continuing evidence of higher demand for services and service and infrastructure gaps across the Interface Council area that must be addressed by all levels of Government;
- there is an imperative for new flexible and tailored funding and service commissioning models that respond to local needs;
- seamless integrated planning and ‘follow through’ is required to ensure appropriate implementation of infrastructure, services and community strengthening programs; and
- ‘whole of government’ commitment is required to finally resolve the integration and resourcing issues that have been identified for many years but not successfully addressed.

Interface Councils is fully supportive of these recommendations and believes they are imperative to any governments approach to bridging the service provision gap.

Stage 2 of *Supporting Interface Families* is currently underway, and is expected to be completed by April 2017. The output of this will be a service provision gap analysis of interface areas. It is important to note that the fragmented nature of the service system has created a significant data gap for the project in terms of access to consolidated funding and service information and thus creates a significant barrier to determining appropriate solutions. As such, Interface Councils strongly encourages the Coalition to address the need for a consistent policy regarding data access across all levels of government and between departments and agencies, to inform robust analysis, planning and decision-making.

There is a severely acute need to rethink and improve the way we deliver services to all communities, and in particular, those that do not currently have access to adequate support services. Failing to address this need will only intensify the poor health and wellbeing outcomes that currently exist in Melbourne’s outer suburbs. This is not an acceptable result nor financially responsible when considering the the long-term impacts of social welfare issues.

6. Education

Already, young people in Interface areas are less educated and less engaged in education compared to students in other parts of Melbourne. This is due to poor access to education opportunities, significant overcrowding of schools and poor infrastructure to support appropriate learning environments. Basically, the environment is not engaging nor is it conducive to quality education. Facts include:

- Interface residents having significantly lower educational qualifications compared to non-Interface residents
- Just 14 per cent of Interface residents aged 15 years and over holding a degree or higher qualification compared to 28 percent for non-Interface residents
- Almost 50 per cent of those 15 years and over living in Interface areas having no post-school qualifications, compared to 40 percent for non-Interface residents
- 16 percent of 17 year olds living in the Interface not attending school compared to only 9 percent of 17 year olds in the rest of metropolitan Melbourne
- Only 25 kindergartens and preschools per 10,000 people aged up to four years old in Interface areas, compared to 36 kindergartens and pre-schools per 10,000 people of the same age in other Melbourne metro areas
- Twice as many Interface children who are starting Prep likely to be at risk on two or more Australian Early Development Index indicators than non-Interface children

⁸ The full *Supporting Interface Families* report is available on request.

For more than five years Interface Councils has worked closely with the Department of Education to identify and align priorities for land acquisition, new schools and upgrades. Despite these efforts, the reality is that acquiring land and building schools has not kept pace with demand, resulting in significant overcrowding in schools and limitations on choice for Interface areas. Many schools in Interface communities have a greater number of portable classrooms than fixed buildings, are using specialist infrastructure such as science labs for general learning, and when new schools are built they do not have the required links for adequate transport access.

Interface Councils is committed to ensuring that all children have equal access to quality education in Interface areas. However, to do so requires long-term planning and funding certainty. Currently, the short-term planning cycles and lack of long-term funding certainty, often restricts the ability of the Department and Interface Councils to plan and collaborate effectively to provide a more sustainable and economical solutions to demand. In many cases, Interface Councils have been prepared for the implementation of a collocated or integrated facility however, due to a lack of guaranteed funding for state infrastructure, councils have been forced to proceed with building the urgently required community infrastructure to provide access to residents. Consequently, opportunities to build more productive solutions with the Department, are missed.

Any population policy must address the need to not only build and upgrade schools to meet increased demand, but ensure there is a strategic approach to the acquisition of land to ensure the productive solutions to infrastructure challenges in Interfaces can be maximised and schools and crucial transport links can be delivered in a timely manner. The ability of governments to ensure quality education for all Victorians, is fundamental to maintaining the State's reputation as a 'magnificent place to live'.

7. Jobs and economic development

As identified in the Interface Councils 2016 Budget Scorecard, the unemployment rate in Interface Council areas was 6.9% as of December 2015. This is significantly higher than rates for both non-Interface Metropolitan Council areas (5.8%) and Regional Council areas (5.8%). As of December 2015, 36% of all unemployed persons in Metropolitan Melbourne (approximately 55,000 persons) were labour force participants from Interface Council areas, which is higher than the 33% labour force contribution these areas make to Metropolitan Melbourne's overall labour force.

The Budget Scorecard also identifies that ABS Place of Work data (2011) shows local job provision (self-sufficiency) in Interface Council areas is significantly low, with only 0.51 jobs per workforce participant which is down from the 0.55 jobs per workforce participant in 2006. To put this in context, this contrasts the self-sufficiency rates of non-Interface metropolitan council areas who provide approximately 1 job per workforce participant and regional council areas that have seen an increase in self-sufficiency rates from 0.83 in 2006 to 1.07 in 2011.⁹

The degree to which residents living in Melbourne's outer suburbs have access to local jobs is closely linked to the ability for all levels of government to attract investment to the area, particularly given the rapid decline of manufacturing industries such as automotive manufacturers, who traditionally provided a great deal of jobs for interface residents.

While residential investment is high in outer metropolitan areas, there is a significant lack of non-residential commercial investment. Many of the Interface Councils have noted that a key detraction from the value proposition for non-residential commercial investment is concerns about the impact of congestion and adequate infrastructure to support productive businesses.

Economic output data for 2014/15, as measured in Gross State Product (GSP), highlights the lack of economic infrastructure, capital investment, established industry sectors, supply chains and employment in Interface Council areas. Interface Council areas contributed just \$49 billion (or 14%) to Victoria's GSP of (\$345 billion) for the 2014/15 financial year, despite representing 25 per cent of the State's workforce. This demonstrates that many of the Interface's workforce participants contribute to the Victorian economy outside of Interface areas.

Economic development in Melbourne's outer suburbs is crucial to increasing the number of local jobs residents have access to. The figures outlined above the need for a dedicated jobs and economic development strategy for

⁹ Note this ABS data is only updated after each Census

Melbourne's outer suburbs, to support the increasing number of people establishing themselves in these areas. Increasing access to local jobs underpins many of the other pressures faced by Interface areas, including the decreasing time spent travelling to and from work, reducing unemployment and improving the social and economic wellbeing of residents in Interface areas.

8. Green Wedges

Melbourne's Green Wedges contain some of the most iconic destinations, businesses and landscapes which contribute significantly to Melbourne's famed liveability. Green wedges are productive landscapes, providing recreational opportunities for Melbourne's residents, economic and lifestyle benefits to its inhabitants, host significant agricultural production on fertile soils, and are the repository of landscape and biodiversity values of State and national significance.

As stewards of 90 per cent of Melbourne's green wedges, there is a significant responsibility afforded to Interface Councils to protect, maintain and develop the enormous, latent value that they provide to the State. The complexities and pressures of maintaining and developing Green Wedges are immense and need be managed sensitively. Land management and planning for green wedge areas must strive to balance environmental, economic and social sustainability.

Interface Councils is significantly concerned about a number of issues that will affect the value of these crucial assets including resourcing and governance arrangements for implementing Green Wedge Management Plans, the loss of productive agricultural land, the protection of biodiversity and green wedge amenity and the support of appropriate tourism activities in the green wedges. Key challenges that face these important assets include:

- Protecting productive agriculture to ensure food supply remains in close proximity to Melbourne;
- Preserving areas of significant biodiversity from urban encroachment;
- Maintaining world class rural landscapes that attract domestic and international tourism;
- Protecting water catchment areas from poor land management practices affecting Melbourne's drinking water supply;
- Preserving land for vital infrastructure and industry that must locate away from the urban areas;
- Ensuring planning policy provides certainty to prevent land speculation from driving traditional rural uses out of these areas;
- Making sure planning policy supports rural activities; and
- Supporting responsible tourism and recreation activities within the green wedges.

Interface Councils have developed a list of priority green wedge projects that will assist in addressing some of these issues.¹⁰ These are projects that will also generate substantial benefits for Melbourne and the state, including;

- Better management and protection of the values of the non-urban Green Wedge areas, supporting the ongoing provision of environmental services, recreational opportunities and a diversity of economic activity across the Metropolitan region.
- Greater levels of sustainability, health and liveability in the metropolitan growth areas.

For too long, governments have failed to recognise the enormous latent value that green wedges offer. As such, Interface Councils has commissioned a piece of research to quantify the social, economic and environmental value of these assets. Preliminary findings indicate that green wedges in Interface areas have a total value of \$7.6 billion. This is comprised of \$4.2 billion in economic value, more than \$700 million in social value and \$2.7 billion in environmental value. Further to the quantification of value, a key output of this research once complete (early April 2017) will be a list of priority projects for green wedges across Interface areas.

Interface Councils believes there is an enormous opportunity to capitalise on all three pillars of value (environmental, economic and social). However, long-term support from state governments is required to support the implementation of the Green Wedge Management Plans, maximise sustainable economic development opportunities to support both local and state economies, and to provide the social benefits that activities within green wedges can achieve.

¹⁰ Interface Councils green wedge priority projects list can be provided on request

CONCLUSION

The development of a population policy is a great step towards identifying what is required to ensure Victoria can cope with the large numbers new residents.

However, Interface Councils would like to reiterate the importance that state governments address and plan for the current, and evolving situation in Melbourne's outer suburbs. Past and present trends along with future projects indicate that new residents will continue to choose these areas to establish their homes and their families.

If history repeats itself, in governments' failure to provide the necessary infrastructure and services to support population growth and change where it is actually occurring, the liveability challenges and disadvantage indicators will only worsen for these Victorians and the social and economic costs of addressing this in the future will significantly increase.

Interface Councils is committed to working with all governments as well as the private and not-for-profit sectors so that together we can appropriately manage population growth and change, and ensure Victoria is and remains the most liveable state in Australia.