



ESSENTIAL ECONOMICS

Interface Scorecard 2013

Based on 2013/14 Victorian State Budget

DRAFT

Prepared for

Interface Councils Group

By

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Disclaimer

Although every effort has been made to ensure the accuracy of the material and the integrity of the analysis presented herein, Essential Economics Pty Ltd accepts no liability for any actions taken on the basis of the contents of this report.

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1 FUNDING SCORCARD

Key Points

- Interface Councils have been allocated \$1.438 billion (over 4 years) in Total Estimated Investment (TEI) from the 2013/14 State Budget for infrastructure in the following priority service areas:
 - Early childhood and kindergarten facilities
 - Schools facilities
 - Further education facilities
 - Hospitals and health facilities
 - Justice facilities
 - Arts and cultural facilities
 - Roads
 - Public transport.
- The majority of investment is focused on public transport (\$733 million or 51% of TEI, including \$560 million allocated to South Morang Rail Extension project which is almost completed) and roads (\$462 million or 32% of TEI).
- Relatively small investments have been allocated for other priority areas – health (\$113 million or 8%), schools (\$52 million or 4%), special education (\$28 million or 2%), further education (\$26 million or 2%), early childhood/kinder (\$14 million or 1%) and justice (\$10 million or 0.7%). No budget investment has been made in arts and cultural facilities in Interface Council areas.

Four-year State Budget (2013/14) TEI allocations for the Interface Council areas are shown in Table 1.

Table 1 State Capital Investment by Priority Area 2013/14 (Four-Year Budget Cycle Allocation), (\$'000s).

| | Interface Councils | | Non-Interface Metropolitan Melbourne Councils | | Regional Councils | | Statewide / 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 / Kindergarten | 23 | \$14,162 | 27 | \$11,495 | 42 | \$14,418 | Grants | \$7,000 | 92 | \$47,076* |
| Primary School | 3 | \$22,500 | 6 | \$15,675 | 4 | \$12,500 | 3 | \$126,315 | 16 | \$176,990 |
| Secondary School | 4 | \$29,386 | 7 | \$44,100 | 14 | \$121,679 | 4 | \$126,315 | 29 | \$321,480 |
| Special Education | 3 | \$27,818 | 0 | \$0 | 1 | \$5,400 | 0 | \$0 | 4 | \$33,218 |
| Further Education | 1 | \$26,000 | 2 | \$58,000 | 1 | \$18,100 | 3 | \$234,180 | 7 | \$336,280 |
| Health | 6 | \$113,180 | 25 | \$978,468 | 22 | \$1,168,358 | 8 | \$144,200 | 61 | \$2,404,206 |
| Justice | 1 | \$10,000 | 2 | \$97,820 | 2 | \$56,280 | 21 | \$1,207,855 | 26 | \$1,371,955 |
| Arts and Culture | 0 | \$0 | 11 | \$84,841 | 1 | \$2,000 | 2 | \$24,616 | 14 | \$111,457 |
| Roads | 12 | \$461,900 | 20 | \$1,306,480** | 22 | \$725,405 | 4 | \$298,951 | 58 | \$2,792,736 |
| Public Transport | 3 | \$732,750 | 14 | \$1,182,023 | 11 | \$728,142 | 12 | \$8,468,325 | 40 | \$11,111,240 |
| Total | 56 | \$1,437,696 | 114 | \$3,778,902 | 120 | \$2,852,282 | 57 | \$10,637,757 | 347 | \$18,706,638 |

Source: Victorian Budget Papers 2013/14

Notes: *Children's Facilities Capital Program Recipients 2012/13

**Funding of \$224million is allocated for East West Link

Figures rounded

2 BUDGET CYCLICAL INTERFACE FUNDING ESTIMATES V ESTIMATED INTERFACE REQUIREMENTS

Key Points

- Over the current 4-year budget period it is estimated that investment of \$1.831 million is required for critical infrastructure (ie early childhood/kindergartens, schools, further education, health and public transport) in the Interface (refer to “One Melbourne or Two’ updated report, Essential Economics 2012). 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.
- State funding over the 4 years represents approximately \$938 million or 51% of this requirement; therefore, a further \$893 million in investment is required from either unallocated State funding (such as the \$100 million TAFE Structural Adjustment Fund, \$7 million Children’s Facilities Capital Program etc) or from non-State funding sources in order to meet the identified needs of Interface communities over this period.
- If funding investment of \$893 million was not forthcoming from these sources, this would potentially lead to a significant undersupply (or lag in provision) in local facilities and services such as primary and secondary schools, TAFE campuses, hospitals, etc, as well as in the critical infrastructure required to support higher levels of public transport usage by interface residents.

A summary of budget allocations against identified service requirements is included in Table 2.

Table 2 Budget Cyclical Interface Funding Estimates v Estimated Interface Requirements

| | Estimated 4-Year Funding Total Estimated Investment ⁽¹⁾ | Estimated 4-Year Requirement (All funding sources) ⁽²⁾ | Funding Surplus /Deficit (All funding sources) | Main Funding Sources | Potential Under Provision (if required funding from all sources is not secured) |
|--------------------------------|--|---|--|-----------------------|---|
| Early Childhood / Kindergarten | \$14.2m | \$17.1m | -2.9m | State/Federal/Private | 340 places/3-4 buildings |
| Primary School | \$22.5m | \$165.1m | -\$142.6m | State/Private | 16,740 places/ 67 primary schools |
| Secondary School | \$29.4m | \$132.3m | -\$102.9m | State/Private | 10,380 places/20 secondary schools |
| Further Education | \$26.0m | \$97.1m | -\$71.1m | State | 11,990 places/2-3 TAFE campuses |
| Health | \$113.2m | \$291.5m | -\$178.3m | State/Private | 420 beds/4-5 hospitals |
| Public Transport | \$732.8m | \$1,127.7m | -\$394.9m | State/Federal | Unable to cater for 8,010 new public service users |
| Total | \$938.1m | \$1,830.8m | -\$892.7m | | |

Source: ⁽¹⁾ Victorian Budget Papers 2013/14, Children’s Facilities Capital Program Recipients 2012/13; ⁽²⁾ One Melbourne or Two – Implications of Population Growth for Infrastructure and Services in Interface Area, Essential Economics 2012.

Note: Figures rounded

3 BUDGET FUNDING EQUITY SCORECARD

Key Points

- Interface Councils accommodate approximately 25% of Victoria's population and 33% of Metropolitan Melbourne's population (ABS Estimated Resident Population, June 2012 provisional). Over the past decade, 2003 to 2012, Interface Councils have been responsible for 48% of all State population growth and 51% of all Metropolitan Melbourne population growth.
- Overall, Interface Councils do not receive State funding in proportion to their share of total population numbers or their share of population growth.
- Interface Council areas received 18% of total allocated investment in 2013/14 budget (over 4 years), and this compares to 47% funding for Non -Interface Metropolitan Melbourne Council areas (which accommodate 50% of the State's population and have been responsible for 47% of Victoria's population growth over the past decade), and 35% funding for Regional Council areas (which accommodate 25% of Victoria's population and have been responsible for 5% of Victoria's population growth over the past ten years).
- Interface Councils were allocated 44% of primary school funding, 35% of early childhood / kindergarten funding, 28% of public transport funding and 26% of further education funding.
- Just 5% of State health funding was directed towards interface Councils, and this contrasts to 43% of funding for Non -Interface Metropolitan Melbourne Council areas and 52% for Regional Council areas.
- Interface Councils also received relatively small shares of State roads funding (19%), secondary school funding (15%), and Justice funding (6%), with Regional Councils receiving considerably higher proportions of funding in each of these areas (29%, 62% and 34% respectively).
- When new 2013/14 budget initiatives are considered, Interface areas received approximately \$110 million⁽¹⁾ (or 10% of funding), compared to \$855 million (or 74% of funding) for non-Interface Metropolitan Melbourne areas, and \$190 million (or 16% of funding) for Regional Victoria.

⁽¹⁾ Note, excludes \$110 of new funding for Port of Hastings development and \$33 million for East Werribee Employment Precinct

State budget allocations by priority area and by geographical location are included in Tables 3 and 4.

Table 3 Budget Funding By Priority Area (existing and new funding)

| | Number of Projects | Share of Project | Total (Allocated and Unallocated) | | Allocated Only | |
|---|--------------------|------------------|-----------------------------------|---------------|--------------------|---------------|
| | | | TEI (000s) | Share of TEI | TEI (000s) | Share of TEI |
| Interface Councils | 56 | 16.1% | \$1,437,696 | 7.7% | \$1,437,696 | 17.8% |
| Non-Interface Metropolitan Melbourne Councils | 114 | 32.9% | \$3,778,902 | 20.2% | \$3,778,902 | 46.8% |
| Regional Councils | 120 | 34.6% | \$2,852,282 | 15.2% | \$2,852,282 | 35.3% |
| Statewide / Unallocated / location non-specific | 57 | 16.4% | \$10,637,757 | 56.9% | n/a | n/a |
| Total | 347 | 100.0% | \$18,706,638 | 100.0% | \$8,068,881 | 100.0% |

Source: Victorian Budget Papers 2012/13; Children's Facilities Capital Program Recipients 2012/13.
Figures rounded

Table 4 Budget Funding Equity Scorecard (Allocated Funding Only), by Geographical Area

| | Interface Councils | | Non-Interface Metropolitan Melbourne Councils | | Regional Councils | | Total | |
|---------------------------------|--------------------|------------|---|------------|-------------------|------------|----------|------------|
| | Projects | Investment | Projects | Investment | Projects | Investment | Projects | Investment |
| Early Childhood / Kindergarten | 25.0% | 35.3% | 29.3% | 28.7% | 45.7% | 36.0% | 100.0% | 100.0% |
| Primary School | 23.1% | 44.4% | 46.2% | 30.9% | 30.8% | 24.7% | 100.0% | 100.0% |
| Secondary School | 16.0% | 15.1% | 28.0% | 22.6% | 56.0% | 62.3% | 100.0% | 100.0% |
| Special Education | 75.0% | 83.7% | 0.0% | 0.0% | 25.0% | 16.3% | 100.0% | 100.0% |
| Further Education | 25.0% | 25.5% | 50.0% | 56.8% | 17.7% | 0.0% | 100.0% | 100.0% |
| Health | 11.3% | 5.0% | 47.2% | 43.3% | 41.5% | 51.7% | 100.0% | 100.0% |
| Justice | 20.0% | 6.1% | 40.0% | 59.6% | 40.0% | 34.3% | 100.0% | 100.0% |
| Arts and Culture | 0.0% | 0.0% | 91.7% | 97.7% | 8.3% | 2.3% | 100.0% | 100.0% |
| Roads | 22.2% | 18.5% | 37.0% | 52.4% | 40.7% | 29.1% | 100.0% | 100.0% |
| Public Transport (Rail and Bus) | 10.7% | 27.7% | 50.0% | 44.7% | 39.3% | 27.6% | 100.0% | 100.0% |

Source: Victorian Budget Papers 2012/13; Children's Facilities Capital Program Recipients 2012/13.
Figures rounded

4 ECONOMIC DEVELOPMENT SCORECARD

Key Points

- The unemployment rate in Interface Council areas (6.0%) remains higher than the rates for Non-Interface Metropolitan Councils (5.2%) and Regional Victoria (5.0%), based on data for December 2012.
- ABS Place of Work data (2011) shows local job provision in Interface Council areas is very low at only 0.51 jobs per workforce participant and this represents a decline in provision from 0.55 jobs per workforce participant in 2006. In contrast, non-Interface Metropolitan Melbourne Council areas continue to provide approximately 1 job per workforce participant, while job provision in Regional Victoria Council areas has improved significantly in recent years, increasing from 0.83 jobs per workforce participant in 2006 to 1.07 jobs per workforce participant in 2011.
- In 2012, Interface Councils secured 26% of all new building investment across the State (down from 30% in 2011) and this equates to \$4.4 billion (down from \$5.4 billion in 2011). This represents a contraction in new building investment of approximately \$1.0 billion (or 19%) over the 12 months. Note that 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.
- The main focus of investment in the Interface Council areas in 2012 was domestic dwelling construction (\$3.4 billion or 78% of all investment); however, this investment was down from \$4.1 billion in 2011, and the Interface's statewide share of investment in the sector fell from 40% in 2011 to 36% in 2012.
- While the Interface's statewide share of retail investment remained constant over the past 12 months (36%, with total value increasing from \$246 m to \$269m), commercial investment declined sharply from \$237m in 2001 to \$103m in 2012, with a corresponding decline in statewide share from 31% to 14% over the period.
- In 2012 the Interface Councils again secured a relatively small proportion of State investment in the areas of hospital/healthcare (13%, down from 17% in 2011), public buildings (23%, up from 20% in 2011), and industrial facilities (21%, down from 23% in 2011).

Employment and building investment data are included in Table 4 and Figure 1

Table 4 Economic Development Scorecard

| | Interface Councils | Non-Interface Councils | Regional Councils |
|---|--|--|--|
| Employment | | | |
| Unemployment Rate (December 2012) ⁽¹⁾ | 6.0% | 5.2% | 5.7% |
| Unemployment Rate (March 2012) | 5.8% | 5.0% | 5.3% |
| Employment Self-Sufficiency Rate (2011) ⁽³⁾ | 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) ⁽⁴⁾ | 0.55 jobs provided per labour force participant | 1.00 jobs provided per labour force participant | 0.83 jobs provided per labour force participant |
| New Building Investment ⁽⁵⁾ | | | |
| Domestic (value) 2012 | \$3,423m | \$3,199m | \$2,845m |
| % 2012 | 36% | 34% | 30% |
| Domestic (value) 2011 | \$4,137m | \$3,238m | \$2,994m |
| % 2011 | 40% | 31% | 29% |
| Residential (value) 2012 | \$53m | \$2,799m | \$129m |
| % 2012 | 2% | 94% | 4% |
| Residential (value) 2011 | \$103m | \$3,202m | \$108m |
| % 2011 | 3% | 94% | 3% |
| Commercial (value) 2012 | \$237m | \$1,214m | \$191m |
| % 2012 | 14% | 74% | 12% |
| Commercial (value) 2011 | \$538m | \$968m | \$233m |
| % 2011 | 31% | 56% | 13% |
| Hospital/Healthcare (value) 2012 | \$65m | \$296m | \$137m |
| % 2012 | 13% | 59% | 28% |
| Hospital/Healthcare (value) 201 | \$32m | \$106m | \$47m |
| % 201 | 17% | 57% | 25% |

INTERFACE SCORECARD 2013

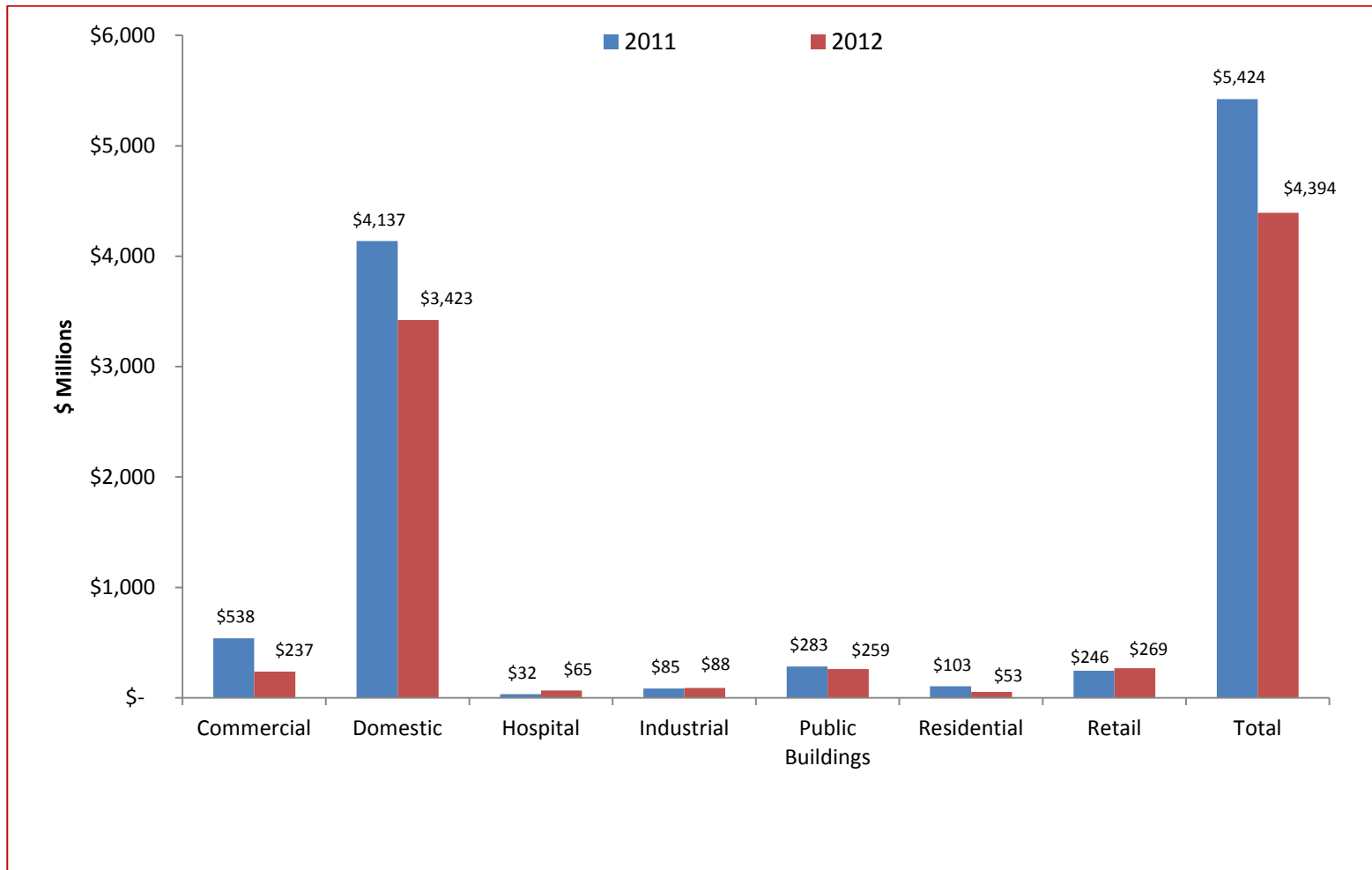
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| | Interface Councils | Non-Interface Councils | Regional Councils |
|--------------------------------------|--------------------|------------------------|-------------------|
| Industrial (value) 2012 | \$88m | \$231m | \$103m |
| % 2012 | 21% | 55% | 24% |
| Industrial (value) 2011 | \$85m | \$176m | \$115m |
| % 2011 | 23% | 47% | 31% |
| Public Buildings (value) 2012 | \$259m | \$589m | \$302m |
| % 2012 | 23% | 51% | 26% |
| Public Buildings (value) 2011 | \$283m | \$797m | \$355m |
| % 2011 | 20% | 56% | 25% |
| Retail (value) 2012 | \$269m | \$358m | \$129m |
| % 2012 | 36% | 47% | 17% |
| Retail (value) 2011 | \$246m | \$332m | \$107m |
| % 2011 | 36% | 48% | 16% |
| Total (all) 2012 | \$4,394m | \$8,686m | \$3,836m |
| | 26% | 51% | 23% |
| Total (all) 2011 | \$5,424m | \$8,819m | \$3,959m |
| | 30% | 48% | 22% |

Source: ⁽¹⁾ DEEWR Small Area Labour Markets (March and December 2012); ⁽²⁾ ABS Place of Work (2011); ⁽³⁾ ABS Journey to Work (2006); ⁽⁴⁾ Building Commission of Victoria –Pulse database.

Note: Figures rounded

Figure 1 New Building Investment Trends, Interface Council Areas, 2011 and 2012



Source: Building Commission of Victoria

Note: Figures rounded

5 EARLY CHILDHOOD / KINDERGARTEN SCORECARD

Table 5 Early Childhood / Kindergarten Scorecard

| | Projects | Share of Total | TEI | Share of TEI |
|---|-----------|----------------|---------------------|---------------|
| Interface | 23 | 25.0% | \$14,162,238 | 30.1% |
| Non-Interface Metropolitan Melbourne | 27 | 29.3% | \$11,495,362 | 24.4% |
| Regional Victoria | 42 | 45.7% | \$14,418,381 | 30.6% |
| Statewide / Unallocated / location non-specific | 0 | 0.0% | \$7,000,000 | 14.9% |
| Total | 92 | 100.0% | \$47,075,981 | 100.0% |

Sources: Children's Facilities Capital Program Recipients 2012/13

Note: Figures rounded

Funded Interface Projects

- *Chirnside Park Integrated Children's Centre (Chirnside Park):* \$1,383,060 (new funding)
- *Doreen South Primary School and Early Learning Centre (Doreen):* \$1,500,000 (new funding)
- *Lyndarum Family and Children's Centre (Epping North):* \$1,500,000 (new funding)
- *Atherstone Children's and Community Centre (Melton South):* \$1,500,000 (new funding)
- *Saltwater Promenade- Community Centre (Point Cook):* \$1,500,000 (new funding)
- *Rivercrest Early Learning Centre (Clyde North):* \$600,000 (new funding)
- *Aurora Community Centre (Epping North):* \$600,000 (new funding)
- *Bethal Primary School and Kindergarten (Meadow Heights):* \$530,000 (new funding)
- *Renaissance Rise Family and Community Centre (Mernda):* \$600,000 (new funding)
- *Bentons Square Community Centre (Mornington):* \$600,000 (new funding)

- *St Clare's Early Learning Centre (Officer):* *\$600,000 (new funding)*
- *Attwood Child Care Centre & Kindergarten (Attwood):* *\$297,000 (new funding)*
- *Malcolm Creek Children's Centre (Craigieburn):* *\$300,000 (new funding)*
- *Upfield Kindergarten (Dallas):* *\$300,000 (new funding)*
- *Coniston Street Family Centre – Diamond Creek East Preschool (Diamond Creek):* *\$150,000 (new funding)*
- *Dromana Early Learning Centre & Kindergarten (Dromana):* *\$300,000 (new funding)*
- *Meruka Child Care (Eltham):* *\$175,000 (new funding)*
- *Bradford Avenue Preschool (Greenvale):* *\$300,000 (new funding)*
- *Westbourne Education Services Early Learning Centre (Truganina):* *\$300,000 (new funding)*
- *Wallan Kindergarten (Wallan):* *\$300,000 (new funding)*
- *Wellington St Kindergarten (Wallan):* *\$227,178 (new funding)*
- *Wandong Kindergarten (Wandong):* *\$300,000 (new funding)*
- *Yarrambat /Plenty Preschool (Yarrambat):* *\$300,000 (new funding)*

6 PRIMARY SCHOOL FUNDING SCORECARD

Table 6 Primary School Funding Scorecard

| | Projects | Share of Total | TEI (000s) | Share of TEI |
|---|-----------|----------------|------------------|---------------|
| Interface | 3 | 18.8% | \$22,500 | 12.7% |
| Non-Interface Metropolitan Melbourne | 6 | 37.5% | \$15,675 | 8.9% |
| Regional Victoria | 4 | 25.0% | \$12,500 | 7.1% |
| Statewide / Unallocated / location non-specific | 3 | 18.8% | \$126,315 | 71.4% |
| Total | 16 | 100.0% | \$176,990 | 100.0% |

Source: Victorian Budget Papers 2013/14

Note: Figures rounded

Funded Interface Projects

- Doreen South Primary School – new school – construct new primary school including classrooms, music, art, gymnasium, administration and amenities (Doreen): TEI \$10.0 million (existing funding)
- Point Cook South-East P–9 – new school – construction of new P–9 school – stage 1 (Point Cook): TEI \$10.0 million (existing funding)
- Wandin Yallock Primary School – modernisation – construction of new learning areas, and refurbishment of administration and amenities – Stage 2 (Wandin North): TEI \$2.5 million (existing funding)

7 SECONDARY SCHOOL FUNDING SCORECARD

Table 7 Secondary School Funding Scorecard

| | Projects | Share of Total | TEI (000s) | Share of TEI |
|---|-----------|----------------|------------------|---------------|
| Interface | 4 | 13.8% | \$29,386 | 9.1% |
| Non-Interface Metropolitan Melbourne | 7 | 24.1% | \$44,100 | 13.7% |
| Regional Victoria | 14 | 48.3% | \$121,679 | 37.8% |
| Statewide / Unallocated / location non-specific | 4 | 13.8% | \$126,315 | 39.3% |
| Total | 29 | 100.0% | \$321,480 | 100.0% |

Source: Victorian Budget Papers 2013/14

Note: Figures rounded

Funded Interface Projects

- School Education Galvin Park Secondary College – modernisation, refurbishment and enhancement of school facilities (Werribee):
TEI \$14.0 million (existing funding)
- Laverton P–12 College – regeneration stage 3 – construction of new gymnasium, completion of external works and demolition to enable construction of co-located autistic facility (Laverton):
TEI \$4.0 million (existing funding)
- Officer Secondary College – new school – planning (Officer):
TEI \$2.0 million (existing funding)
- Pembroke Secondary College – modernisation, redevelopment including new classrooms, specialist facilities, canteen and amenities – Stage 2 (Mooroolbark):
TEI \$9.4 million (existing funding)

8 SPECIAL EDUCATION FUNDING SCORECARD

Table 8 Special Education Funding Scorecard

| | Projects | Share of Total | TEI (000s) | Share of TEI |
|---|----------|----------------|-----------------|---------------|
| Interface | 3 | 75.0% | \$27,818 | 83.7% |
| Non-Interface Metropolitan Melbourne | 0 | 0.0% | \$0 | 0.0% |
| Regional Victoria | 1 | 25.0% | \$5,400 | 16.3% |
| Statewide / Unallocated / location non-specific | 0 | 0.0% | \$0 | 0.0% |
| Total | 4 | 100.0% | \$33,218 | 100.0% |

Source: Victorian Budget Papers 2013/14

Note: Figures rounded

Funded Interface Projects

- Hume Valley School – completion of redevelopment of facilities including performing arts (Broadmeadows):
TEI \$8.8 million (existing funding)
- Officer Special School – new School – new special school construction (Officer):
TEI \$15.0 million (existing funding)
- Western region autistic facility – new facility – commence construction of P–12 autistic school, co-located at Laverton P–12 College site (Laverton):
TEI \$4.0million (existing funding)

9 FURTHER EDUCATION FUNDING SCORECARD

Table 9 Further Education Funding Scorecard

| | Projects | Share of Total | TEI (000s) | Share of TEI |
|---|----------|----------------|------------------|---------------|
| Interface | 1 | 14.3% | \$26,000 | 7.7% |
| Non-Interface Metropolitan Melbourne | 2 | 28.6% | \$58,000 | 17.2% |
| Regional Victoria | 1 | 14.3% | \$18,100 | 5.4% |
| Statewide / Unallocated / location non-specific | 3 | 42.9% | \$234,180 | 69.6% |
| Total | 7 | 100.0% | \$336,280 | 100.0% |

Source: Victorian Budget Papers 2013/14

Note: Figures rounded

Funded Interface Projects

- Chisholm Institute of TAFE – new facility – Berwick Trade Careers Centre (Berwick) TEI: \$26.0 million (existing funding)

10 HEALTH FUNDING SCORECARD

Table 10 Health Funding Scorecard

| | Projects | Share of Total | TEI (000s) | Share of TEI |
|---|-----------|----------------|--------------------|---------------|
| Interface | 6 | 9.8% | \$113,180 | 4.7% |
| Non-Interface Metropolitan Melbourne | 25 | 41.0% | \$978,468 | 40.7% |
| Regional Victoria | 22 | 36.1% | \$1,168,358 | 48.6% |
| Statewide / Unallocated / location non-specific | 8 | 13.1% | \$144,200 | 6.0% |
| Total | 61 | 100.0% | \$2,404,206 | 100.0% |

Source: Victorian Budget Papers 2013/14

Note: Figures rounded

Funded Interface Projects

- *Northern Hospital Inpatient Capacity Expansion Epping (Epping):* TEI \$29.0 million (new funding)
- *Werribee Mercy Hospital mental health expansion (Werribee):* TEI \$34.7 million (new funding)
- Kilmore and District Hospital redevelopment (Kilmore): TEI \$20.0 million (existing funding)
- Healesville Hospital upgrade (Healesville): TEI \$3.0 million (existing funding)
- Northern Hospital emergency expansion (Epping): TEI \$24.5 million (existing funding)
- Seymour Hospital chemotherapy chairs (Seymour): TEI \$2.0 million (existing funding)

11 JUSTICE FUNDING SCORECARD

Table 11 Justice Funding Scorecard

| | Projects | Share of Total | TEI (000) | Share of TEI |
|---|-----------|----------------|--------------------|---------------|
| Interface | 1 | 3.8% | \$10,000 | 0.7% |
| Non-Interface Metropolitan Melbourne | 2 | 7.7% | \$97,820 | 7.1% |
| Regional Victoria | 2 | 7.7% | \$56,280 | 4.1% |
| Statewide / Unallocated / location non-specific | 21 | 80.8% | \$1,207,855 | 88.0% |
| Total | 26 | 100.0% | \$1,371,955 | 100.0% |

Source: Victorian Budget Papers 2013/14

Note: Figures rounded

Funded Interface Project

- New Children's Court at Broadmeadows (Broadmeadows): TEI \$10.0 million (existing funding)

12 ARTS AND CULTURAL FACILITIES

Table 12 Arts and Cultural Funding Scorecard

| | Projects | Share of Total | TEI (000s) | Share of TEI |
|---|-----------|----------------|------------------|---------------|
| Interface | 0 | 0.0% | 0 | 0.0% |
| Non-Interface Metropolitan Melbourne | 11 | 78.6% | \$84,841 | 76.1% |
| Regional Victoria | 1 | 7.1% | \$2,000 | 1.8% |
| Statewide / Unallocated / location non-specific | 2 | 14.8% | \$24,616 | 22.1% |
| Total | 14 | 100.0% | \$111,457 | 100.0% |

Source: Victorian Budget Papers 2013/14

Notes: Non-Interface Metropolitan Melbourne infrastructure funding includes capital allocations for major State assets such as the Royal Exhibition Buildings, Government House, National Gallery of Victoria, Shrine of Remembrance and Arts Centre.
Figures rounded

13 ROADS FUNDING SCORECARD

Table 13 Roads Funding Scorecard

| | Projects | Share of Total | TEI (000s) | Share of TEI |
|---|-----------|----------------|--------------------|---------------|
| Interface | 12 | 20.7% | \$461,900 | 16.5% |
| Non-Interface Metropolitan Melbourne | 20 | 34.5% | \$1,306,480 | 46.8% |
| Regional Victoria | 22 | 37.9% | \$725,405 | 26.0% |
| Statewide / Unallocated / location non-specific | 4 | 6.9% | \$298,951 | 10.7% |
| Total | 58 | 100.0% | \$2,792,736 | 100.0% |

Source: Victorian Budget Papers 2013/14

Note: Figures rounded

Funded Interface Projects

- *Cardinia Road upgrade (Cardinia Shire):* TEI \$18.5 million (new funding)
- *Kilmore Wallan bypass (Kilmore):* TEI \$13.4 million (new funding)
- Koo Wee Rup Bypass (Koo Wee Rup): TEI \$66.0 million (existing funding)
- Western Highway realignment – Anthonys Cutting (Melton to Bacchus Marsh) (non-metro various):
TEI \$40.0 million (existing funding)
- Yarra Glen truck bypass (Yarra Glen): TEI \$10.7 million (existing funding)
- Clyde Road duplication – High Street to Kangan Drive (Berwick): TEI \$25.6 million (existing funding)
- Cooper Street – road widening (Epping): TEI \$7.5 million (existing funding)
- Hallam Road duplication – Pound Road to Ormond Road (Hampton Park): TEI \$38.0 million (existing funding)
- Narre Warren Cranbourne Road duplication between Pound Road and Thompson Road (Narre Warren South):

- Palmers Road/rail overpass (Williams Landing): TEI \$49.0 million (existing funding)
- M80 upgrade – Stage 1C Edgars Road to Plenty Road: TEI \$24.0 million (existing funding)
- M80 upgrade – Stage 1C Edgars Road to Plenty Road: TEI \$108.8 million (existing funding)
- Peninsula Link: TEI \$60.4 million (existing funding)

14 PUBLIC TRANSPORT FUNDING SCORECARD (RAIL AND BUS)

Table 14 Public Transport Scorecard

| | Projects | Share of Total | TEI (000s) | Share of TEI |
|---|-----------|----------------|---------------------|---------------|
| Interface | 3 | 7.5% | \$732,750 | 6.6% |
| Non-Interface Metropolitan Melbourne | 14 | 35.0% | \$1,182,023 | 10.6% |
| Regional Victoria | 11 | 27.5% | \$728,142 | 6.6% |
| Statewide / Unallocated / location non-specific | 12 | 30.0% | \$8,468,325 | 76.2% |
| Total | 40 | 100.0% | \$11,111,240 | 100.0% |

Source: Victorian Budget Papers 2013/14

Note: Figures rounded

Funded Interface Projects

- VicTrack South Morang rail extension: TEI \$543.8 million (existing funding)
- VicTrack New stations in growth areas: TEI \$188.5 million (existing funding)
- Construction of Mornington bus interchange: TEI \$0.5 million (existing funding)

15 PUBLIC LIBRARIES FUNDING SCORECARD

Living Libraries Infrastructure Program 2013

The Living Libraries Infrastructure 2013 will provide grants of up to \$750,000, providing the following co-contributions are met:

Libraries for Metropolitan Communities

- DPCD \$1 : \$1 Local (all metropolitan councils)

Libraries for Interface Councils

- DPCD \$1.5 : \$1 Local (Cardinia, Casey, Hume, Melton, Mornington Peninsula, Nillumbik, Whittlesea, Wyndham, Yarra Ranges)

Libraries for Regional Cities

- DPCD \$2 : \$1 Local (Ballarat, Bendigo, Geelong, Horsham, Latrobe, Mildura, Shepparton, Wangaratta, Warrnambool, Wodonga)

Libraries for Regional and Rural Councils

- DPCD \$3 : \$1 Local (remaining regional and rural councils)

Applications opened on 14 February 2013 and closed on 5 April 2013. Successful grant recipients will be notified later in 2013.

The Living Libraries Infrastructure Program 2012

The Living Libraries Infrastructure Program 2012 delivered \$400,000 to Interface Councils (1 project) out of a grant pool of \$5.5 million, which represented 7% of funding, with the remaining funding split between Non-Interface Metropolitan areas (\$3.4 million or 62%) and Regional Victoria (\$1.7 million or 31%).

16 COUNCIL SCORECARD

Table 16 Council Scorecard

| | No. of Projects | TEI (000s) | Share of Interface Projects | Share of Interface TEI |
|------------------------------|-----------------|--------------------|-----------------------------|------------------------|
| Cardinia | 5 | \$102,130 | 9% | 7% |
| Casey | 5 | \$139,200 | 9% | 10% |
| Hume | 7 | \$20,545 | 13% | 1% |
| Melton | 2 | \$41,500 | 4% | 3% |
| Mitchell | 6 | \$36,227 | 11% | 3% |
| Mornington Peninsula | 4 | \$61,750 | 7% | 4% |
| Nillumbik | 3 | \$625 | 5% | 0% |
| Whittlesea | 9 | \$698,800 | 16% | 49% |
| Wyndham | 9 | \$121,500 | 16% | 8% |
| Yarra Ranges | 5 | \$26,919 | 9% | 2% |
| New Stations in Growth Areas | 1 | \$188,500 | 2% | 13% |
| Total | 56 | \$1,437,696 | 100% | 100% |

Source: Victorian Budget Papers 2013/14

Note: Figures rounded

17 CONCLUSIONS

State Budget 2013/14 Funding Overview

1. Interface Councils have been allocated \$1.438 billion (over 4 years) in Total Estimated Investment (TEI) from the 2013/14 State Budget for infrastructure in the following priority service areas:
 - Early childhood and kindergarten facilities
 - Schools facilities
 - Further education facilities
 - Hospitals and health facilities
 - Justice facilities
 - Arts and cultural facilities
 - Roads, and
 - Public transport.
2. The majority of investment is focused on public transport (\$733 million or 51% of TEI, including \$560 million allocated to South Morang Rail Extension project which is almost completed) and roads (\$462 million or 32% of TEI).
3. Relatively small investments have been allocated for other priority areas – health (\$113 million), schools (\$52 million), special education (\$28 million), further education (\$26 million), early childhood/kinder (\$14 million) and justice (\$10 million).
4. No budget investment has been made in arts and cultural facilities in Interface Council areas.

Funding for Critical Infrastructure

5. Over the current 4-year budget period it is estimated investment of \$1.831 million is required for critical infrastructure (ie early childhood/kindergartens, schools, further education, health and public transport) in the Interface Council areas (refer to “One Melbourne or Two’ updated report, Essential Economics 2012). 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.
6. State funding over the 4 years represents approximately 51% (or \$938 million) of this requirement; therefore, a further \$893 million in investment is required from either unallocated State funding (such as the \$100 million TAFE Structural Adjustment Fund, \$7 million Children’s Facilities Capital Program etc), or from non-State funding sources in order to meet the identified needs of Interface communities over this period.

7. If funding investment of \$893 million is not forthcoming from these sources, this would potentially lead to a significant undersupply (or lag in provision) in local facilities and services such as primary and secondary schools, TAFE campuses, hospitals, etc, as well as in the critical infrastructure required to support higher levels of public transport usage by interface residents.

Funding Equity

8. Interface Councils accommodate approximately 25% of Victoria's population and 33% of Metropolitan Melbourne's population (ABS Estimated Resident Population, June 2012 provisional). Over the past decade, 2003 to 2012, Interface Council areas have been responsible for 48% of all State population growth and 51% of Metropolitan Melbourne population growth.
9. Overall, Interface Council areas do not receive State funding in proportion to their share of total population numbers or their share of population growth.
10. Interface Council areas received 18% of total allocated investment in 2013/14 budget (over 4 years), and this compares to 47% funding for Non-Interface Metropolitan Melbourne Council areas (which accommodate 50% of the State's population and have been responsible for 47% of Victoria's population growth over the past decade) and 35% funding for Regional Council areas (which accommodate 25% of Victoria's population and have been responsible for 5% of Victoria's population growth over the past ten years).
11. Interface Councils were allocated 44% of primary school funding, 35% of early childhood / kindergarten funding, 28% of public transport funding, and 26% of further education funding.
12. Just 5% of State health funding was directed towards Interface Council areas, and this contrasts with 43% of funding for Non -Interface Metropolitan Melbourne Council areas and 52% for Regional Council areas.
13. Interface Council areas also received relatively small shares of State roads funding (19%), secondary school funding (15%), and Justice funding (6%), with Regional Councils receiving considerably higher proportions of funding in each of these areas (29%, 62% and 34% respectively).
14. When new 2013/14 budget initiatives are considered, Interface areas received approximately \$110 million (10% of funding), compared to \$855 million (or 74% of funding) for non-Interface Metropolitan Melbourne areas, and \$190 million (or 16% of funding) for Regional Victoria.

Interface Economic Development and Investment Trends

15. The unemployment rate in Interface Council areas (6.0%) remains higher than the rates for Non-Interface Metropolitan Councils (5.2%) and Regional Victoria (5.0%), based on data for December 2012.

16. ABS Place of Work data (2011) shows local job provision in Interface Council areas is very low at only 0.51 jobs per workforce participant and this represents a decline in provision from 0.55 jobs per workforce participant in 2006. In contrast, non-Interface Metropolitan Melbourne Council areas continue to provide approximately 1 job per workforce participant, while job provision in Regional Victoria Council areas has improved significantly in recent years, increasing from 0.83 jobs per workforce participant in 2006 to 1.07 jobs per workforce participant in 2011.
17. In 2012, Interface Councils secured 26% of all new building investment across the State (down from 30% in 2011) and this equated to \$4.4 billion (down from \$5.4 billion in 2011). This represents a contraction in new building investment of approximately \$1.0 billion (or 19%) over the 12 months.
18. The main focus of investment in the Interface in 2012 was domestic dwelling construction (\$3.4 billion or 78% of all investment), although this investment was down from \$4.1 billion in 2011, and the Interface's statewide share of investment in the sector fell from 40% in 2011 to 36% in 2012.
19. While the Interface's statewide share of retail investment remained constant over the past 12 months (36%, with total value increasing from \$246m to \$269m), commercial investment declined sharply from \$237m in 2001 to \$103m in 2012, with a corresponding decline in statewide share from 31% to 14% over the period.
20. In 2012 the Interface again secured a relatively small proportion of State investment in the areas of hospital/healthcare (13%, down from 17% in 2011), public buildings (23%, up from 20% in 2011), and industrial facilities (21%, down from 23% in 2011).