

**2018 / 19**  
**INTERFACE COUNCILS**  
**BUDGET SUBMISSION**

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**INTERFACE**  
COUNCILS

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## EXECUTIVE SUMMARY

Interface Councils need significant support to cater for substantial population growth, changing demographics and the impact of historic underfunding. This need has been highlighted in the following inquiries and reports:

- Parliamentary Inquiry into Local Economic Developing in Outer Suburban Melbourne, 2008
- Parliamentary Inquiry on Growing the Suburbs: Infrastructure and Business Development in Outer Melbourne, 2012
- Parliamentary Inquiry into Liveability Options in the Outer Suburbs, 2012
- Victorian Auditor General's Office (VAGO)- Developing Transport Infrastructure and Services for Population Growth Areas, 2013
- One Melbourne or Two: Implications of Population Growth for Infrastructure and Services in Interface areas – Essential Economics, 2013
- Supporting Interface Families, 2016 – 42 Consulting
- Human Service Provision Gap Analysis, 2017 – 42 Consulting
- Victorian Auditor General's Office (VAGO) – Effectively Planning for Population Growth, 2017

**The following priority funding requests will deliver immediate benefits to local communities and the State:**

- 1. An increased and long-term funding commitment to the Growing Suburbs Fund that will provide certainty for a significant pipeline of priority projects**
  - i. An investment of \$50 million in 2018/19 and a commitment to \$50 million per annum in forward estimates, with index increases based on the average growth rate across Interface areas.
- 2. An initial investment of \$250 million to bridge critical health and human service gaps, and a commitment to a long-term funding agreement that will ensure average service levels in Interface areas are achieved and maintained**
- 3. Transparent allocation of Outer Suburban Arterial Road program funding that will ensure timely implementation of the required packages as well as funding to ensure VicRoads has the capacity to maximise the efficiency of existing assets in Interface areas**
- 4. An investment of \$225 million per annum in the 2018/19 Budget and in forward estimates to bring bus services in Interface areas up to an acceptable standard**
- 5. Immediate and long-term funding commitments to ensure appropriate and timely land acquisition and schools are provided to meet current and future demand**
- 6. A commitment of \$20 million per annum in the 2018/19 Budget and in forward estimates to implement local initiatives that will boost economic development and leverage employment creation in Interface areas**
- 7. Funding to establish an inter-departmental taskforce to develop a whole-of-government response to the liveability challenges facing Interface areas**

## INTRODUCTION

The Interface region<sup>1</sup> is home to over 1.5 million people, including 410 thousand families. The ten municipalities within this region continue to face significant issues associated with unprecedented population growth<sup>2</sup>, changing demographics such as a rapidly expanding ageing population, and the impact of historic underfunding.

During the past five years, population growth in Interface areas has significantly exceeded the State average, accounting for 49 percent of growth in Melbourne and 44 percent of the entire State's growth. While not all Interface Councils experience the same degree of rapid population growth, they do share the pressures associated with servicing both rural and urban communities, as well as the critical need to address the lack of access that residents have to jobs, infrastructure and services.

Funding commitments for essential infrastructure and services has not kept pace with the needs of Interface areas. This has created an environment where local jobs are scarce, dependence on cars is high, access to quality education is compromised and community facilities, as well as services, are inadequate.

Interface Councils are welcoming communities and residents are proud of where they live. However, they are tired of not having adequate access to public transport, spending hours in congestion, travelling two hours to employment and not being able to easily access health and human services including GPs, Allied Health and mental health services.

## Liveability

Liveability definitions are plentiful among leading thought leaders, professionals and experts. Sue West and Marnie Badham provide a comprehensive definition of liveability in their *Victoria Growth Areas Authority* report:

*"Being related to the attractiveness and particular amenities a community offers. This means things like fully grown trees, well designed open spaces and walking paths, environmentally sustainable public transport and access to education, recreation and health services. Liveability describes a place where people feel safe, connected to their community, and want to participate in the local economy through investment in business. Also, important to liveability is the unique identity of a community defined by cultural development, landmarks, urban design, the developing local economy and the existing natural landscape."*<sup>3</sup>

When you consider this definition in the context of Interface Council areas, communities in these areas are facing serious liveability challenges. These challenges have not only been highlighted by Interface Councils research,<sup>4</sup> but have been identified and confirmed in several Parliamentary reports and notably also 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;
- Relatively poor access to medical, health and support services, as well as poorer health outcomes.

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<sup>1</sup> 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.

<sup>2</sup> Interface Councils includes the seven Growth Area Councils.

<sup>3</sup> A Strategic Framework for Creating Liveable New Communities, Victorian Growth Areas Authority (2008)

<sup>4</sup> One Melbourne or Two? (2012), Fairer Funding report (2014), Service Provision Gap Analysis (2017) and the annual Interface Council budget scorecards (2012-2017)

In addition, *The Parliamentary Inquiry into Growing the Suburbs, 2012* found that Melbourne's outer suburban residents face a shortage of local 'knowledge industry' jobs and a decline in those industries, such as manufacturing and retail, that have traditionally provided a large proportion of local jobs

The Victorian Auditor General's Report<sup>5</sup> notes that, over a long period of time, the State has failed to deliver the transport infrastructure and services needed to support rapidly growing communities. This is adversely impacting accessibility to services and infrastructure, and risks the future liveability of metropolitan Melbourne, if not addressed.

Despite the findings of these reports more than four years ago (with only one report responded to by government), little has been done to address the growing infrastructure and service deficits that are compromising the liveability of communities in the Interface region. These fundamental liveability gaps reflect concerning levels of inequity and are creating significant pockets of social isolation and disadvantage.

## Inequity and disadvantage

Residents of Interface areas love where they live and the community that surrounds them. However, there are several indicators in the 2015 DHHS LGA profiles that demonstrate the prevalence of disadvantage and inequity in Interface areas, particularly when compared to other parts of metropolitan Melbourne. Notably, the Interface region has a lower index of relative socio-economic disadvantage (IRSD). Other key indicators show Interface residents:

- Have access to just 0.51 jobs per labor force participant
- Experience high degrees of psychological distress, which could be due to longer commute times, higher rates of mortgage and rental stress and a lack of access to support services
- Have higher levels of poor dental health
- Have significantly lower access to public transport close to home
- Have high dependence on motor vehicles, which creates subsequent financial pressures due to daily commutes and petrol costs
- Have low levels of Allied Health support services

The above indicators provide a glimpse of the challenges facing Melbourne's outer suburbs, where gaps in infrastructure, lack of local jobs and lagging service provision are lowering the state of liveability of Interface communities.

Service providers and policy-makers can, however, make a difference in disadvantaged communities. They can improve the lives of children and families who are negatively affected by the area in which they live. There are numerous examples of Australian programs and policies that have effectively ameliorated many of the causes and effects of community disadvantage (for examples, see: Soriano, Clark, & Wise, 2008).

## Current funding context

Following years of underfunding, the Interface Councils were pleased with the State Government's third investment into the *Growing Suburbs Fund* (previously the *Interface Fund*), in the 2017/18 Victorian State Budget.

To date, the State Government has invested \$125 million into the *Growing Suburbs Fund*, with a further commitment of \$25 million in the forward estimates for the 2018/19 budget cycle.

Interface Councils were also pleased with investments in this year's budget that will assist in strengthening the social and economic fabric of the outer suburbs. These include:

- Additional funds for public transport
- Funding for roads including; stage 2 of Yan Yean Road and the North-East Link and road maintenance and resurfacing across Melbourne's suburbs.

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<sup>5</sup> Victorian Auditor General's Office (VAGO)- Developing Transport Infrastructure and Services for Population Growth Areas, 2013

- Continued focus on building new schools, upgrading those at capacity and early land acquisition in Interface areas. In addition, more than \$21 million to help kids in Melbourne's outer suburbs get to school.
- A \$10 million commitment to capitalise on opportunities to collocate Early Childhood Development facilities and new suburban primary schools.
- \$1 million for the development and delivery of five-year plans and the establishment of Metropolitan Partnerships across Melbourne to assist with the more timely delivery of jobs, services and infrastructure.
- Significant investments to address family violence across Victoria.

As detailed in the 2017/18 Interface Councils Budget Scorecard<sup>6</sup>, over the current four-year budget period, it is estimated that \$1,831 million is required for critical infrastructure (i.e. early childhood/kindergartens, schools, further education, health and public transport)<sup>7</sup> in Interface Council areas. As such, it was positive to see Interface Councils receive \$2,010 million in new allocation funding the 2017/18 Budget.

However, while notable state funding improvements are now occurring with regard to infrastructure in Interface areas, this needs to balance out against significant under-investment in previous budgets which have created substantial infrastructure and service gaps.

The estimated \$180 million 'surplus' in the 2017/18 Budget compares to a surplus of \$83 million in the 2016/17 budget and 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 Budget enable Interface Councils to continue to 'close the gap' in terms of cumulative funding deficits generated over the past several years.

Acknowledging the benefit of some state-wide investments to Interface areas, such as the Level Crossings Removal project, the trend of disproportionate investment with regards to population growth remains entrenched in Victorian State Budgets. When considering new and existing funding, despite being responsible for almost half of the population growth over the past five years, Interface Councils have received just 24 per cent of funding. This compares to non-interface metropolitan Melbourne who accommodated 45 percent of growth and received 35 percent of funding, and regional Victoria who accommodated 11 percent yet have received 41 percent of funding, over the same period.

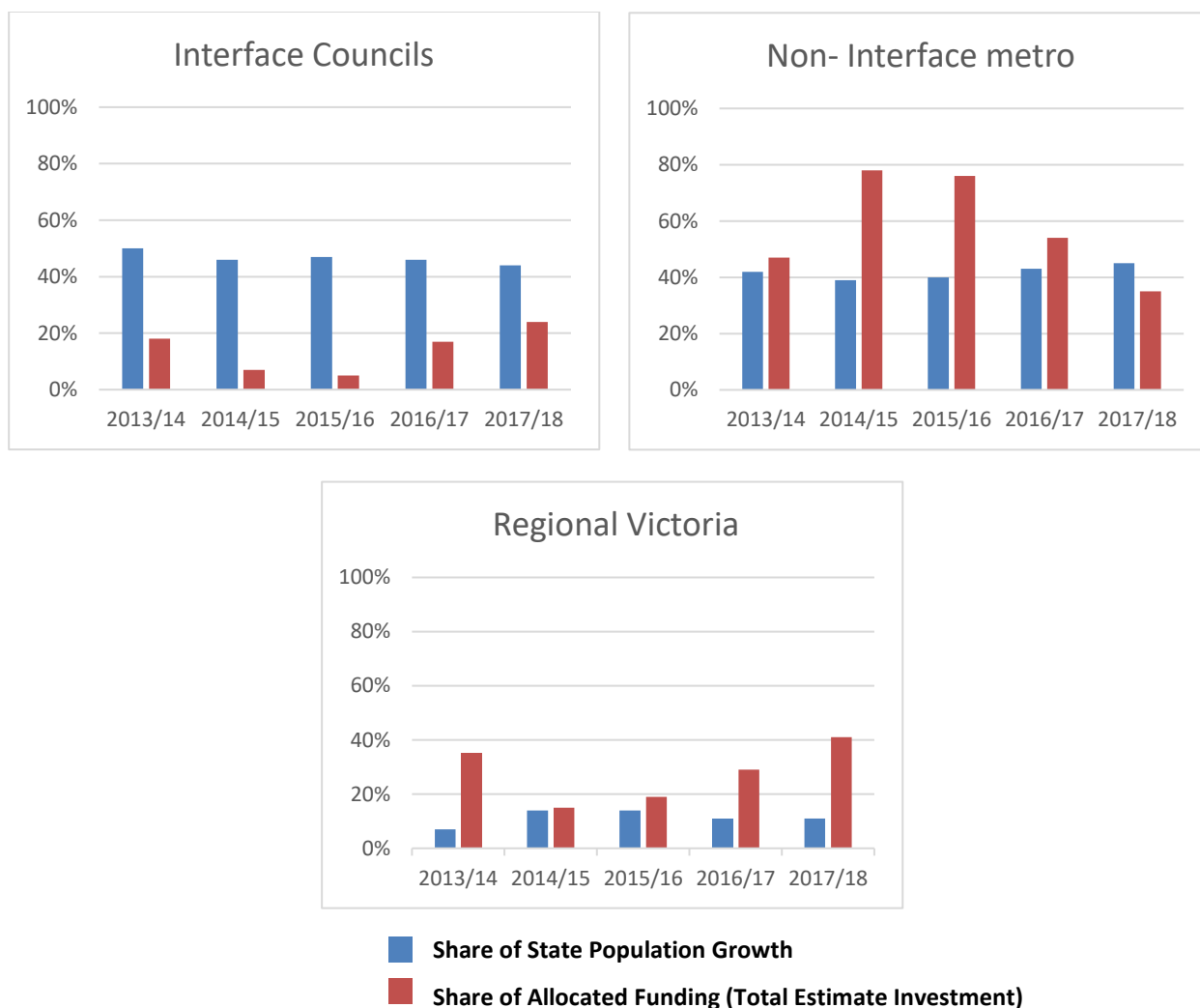
Figure 1 below demonstrates the historical nature of this trend.

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<sup>6</sup> 2017/18 Interface Budget Scorecard, *Essential Economics*, 2017

<sup>7</sup> One Melbourne or Two? updated report, *Essential Economics* 2012.

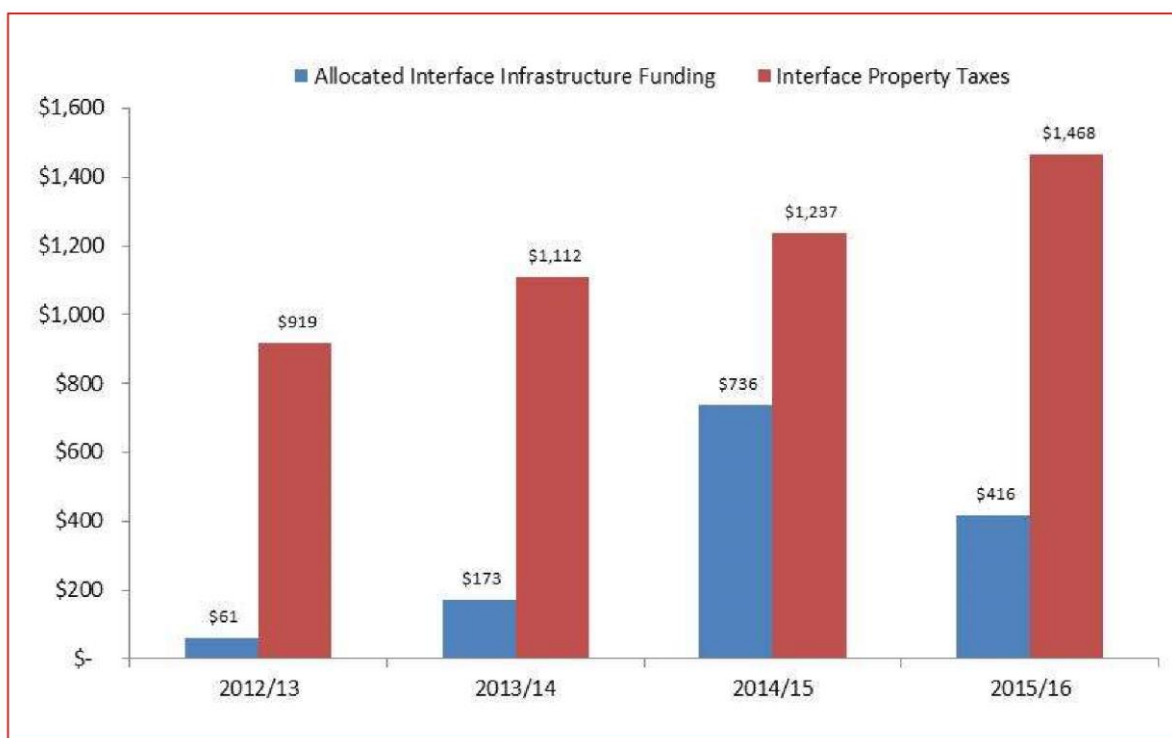
**Figure 1:** Percentage Population Growth (2011-2016) and Percentage Allocated Funding (TEI), by Geographical Region, over the previous five Victorian State Budget.



Interface Councils understands the current fiscal situation for all levels of government is tight and revenue streams are under pressure with many competing investment priorities each year.

However, a recent analysis of property taxes (stamp duty and land tax) collected from Interface areas shows Melbourne's outer suburbs are making a far greater contribution to state revenue than what they receive in funding support. As demonstrated in Figure 2, based on comparable State Revenue Office and State Budget data for the 2012/13 to 2015/16 period, Interface Council areas contributed approximately \$4.74 billion in property taxes but received only \$1.37 billion or an average of \$343 million per year in specifically allocated new state funding for key infrastructure and services (e.g. education, health, public transport, roads). As outlined in the One Melbourne or Two Report, Interface Councils need \$600 million per annum for critical infrastructure such as schools, roads, public transport and community infrastructure, just to bridge the gap with the rest of Melbourne, by 50 per cent.

**Figure 2:** Percentage Population Growth (2011-2016) and Percentage Allocated Funding (TEI), by Geographical Region, over the previous five Victorian State Budgets



Source: State Revenue Office; Interface Budget Scorecards (various), Essential Economics Pty Ltd

The purpose of this analysis was not to argue the case for a dollar-for-dollar return on the revenue generated from Interface Council areas but to highlight that at a minimum, state governments should provide adequate funding (at least \$600 million per annum plus additional to fund the backlog deficit) for essential infrastructure and accessible services in Interface communities.

Investment in the Interface areas is urgently needed to improve social outcomes and build up essential infrastructure that will attract new investments and jobs to the region. Historic state underfunding combined with rate capping, the Federal Assistance Grant freeze, changes to developer contributions and limited revenue streams exemplifies the critical need for increased, timely and consistent state funding that is proportional to population distribution and revenue contributions.

Interface Councils appreciate the concerted effort of the government to understand the concerns of the Interface areas and its commitment to start bridging the gap in essential infrastructure. Interface Councils emphasise the importance of the State Government continuing this commitment and providing long-term funding certainty to afford Interface communities an adequate level of liveability, both now and into the future.

This submission outlines the rationale behind the Interface Councils key requests.



## KEY REQUEST 1: An increased and long-term funding commitment to the Growing Suburbs Fund to provide certainty for a significant pipeline of priority projects

Investment in community infrastructure via the Growing Suburbs Fund (formerly the Interface Growth Fund) in the 2015/16, 2016/17 and 2017/18 State Budgets were welcomed by Interface Councils and their communities.

Interface Councils were pleased to see a longer-term commitment made in the 2017/18 State Budget, with \$25 million allocated over two years. However, it was disconcerting to see a 50 per cent reduction in annual funding.

The \$150 million investment made to date has and will continue to provide infrastructure that addresses four key areas of social disadvantage experienced in Interface communities; fragile families, poor health outcomes, at risk youth and isolated ageing, as well as boosting economic development in these areas. To demonstrate the importance of the Growing Suburbs Fund (GSF), Interface Councils commissioned the *Interface Benefits Report*, which indicated that the projects deliver:

- Improved mental health outcomes;
- Improved community engagement among youth;
- Increased physical activity and improve preventative health outcomes; and
- Improved local employment outcomes through the creation of jobs

In addition, it is important to note that the opportunities and services that have and will become available for communities through these community infrastructure projects will enhance the liveability of Interface areas and, in turn, attract new business prospects, investments and jobs.

The annual allocations of \$50 million in the 2015/16 and 2016/17 State Budgets has funded more than 75 projects, exhausting all available funds. In the 2017/18 application process, more than 90 projects were submitted, totalling more than \$130 million in GSF funding needed to bring the projects to fruition. Even if the full \$50 million allocation (over two years) is expended in the first year, this equates to an oversubscription of more than 250 percent. This clearly demonstrates the significant backlog of projects that Interface Councils still need to deliver to bridge the community infrastructure deficit that continues to exist.

Continued investments in the GSF reflect crucial and positive steps forward in a long journey. Figure 4 shows almost \$650 million is required to deliver necessary capital community and recreational projects over four years.

**Figure 3: 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 \$
<i>Recreational Facilities</i>	128,906,000	101,317,435	77,773,300	53,553,250
<i>Community Centres</i>	116,461,125	41,166,125	31,360,000	42,080,000
<i>Children's Facility</i>	14,308,229	14,493,813	15,058,243	7,733,583
<b>All Facilities Annual Total</b>	259,675,354	156,977,373	124,191,543	103,366,833
<b>All Facilities 4 Year Grand Total</b>	<b>\$644,211,103</b>			

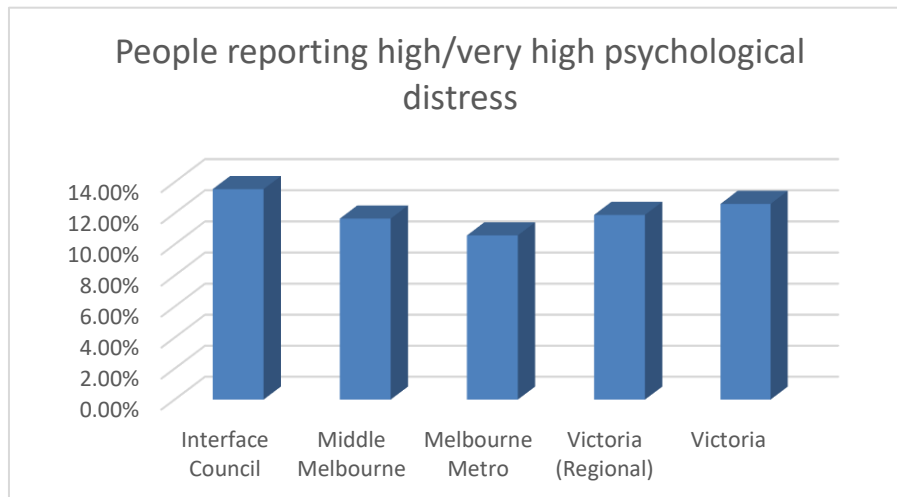
To further demonstrate the need for continued State Government support for community infrastructure, Interface Councils have updated its list of priority projects. This includes both current applications and pipeline projects, critical to interface communities. **This list is available on request.**

Given the capital requirements detailed in the above table and in the priority projects list, it is imperative that a commitment to the GSF is maintained to assist councils invest in the backlog of infrastructure required earlier by investing \$50 million in the 2018/19 Budget and \$50 million per annum in forward estimates. Furthermore, Interface Councils are requesting a commitment to index increases for the Fund based on the average growth rate across Interface areas.

The Growing Suburbs Fund is a strong and positive policy that must be expanded to assist in meeting the needs of existing and future communities. Proper levels of investment in Interface areas will contribute to significantly enhanced liveability, including economic development, and avoid long-term social problems and more extensive and expensive intervention in the future.

## KEY REQUEST 2: An initial investment of \$250 million to bridge critical health and human service gaps, and a commitment to a long-term funding agreement to ensure average service levels in Interface areas are achieved and maintained

Interface Councils remain concerned about the impact that an absence of basic health and human service provision in Interface areas, is having on residents. For example, people in the Interface region are demonstrating the highest levels of psychological distress in the State.<sup>8</sup>



Considering the prevalence of unwavering indicators such as the above, combined with the 'on the ground' insights into the severity of issues facing Interface residents as a result of lagging service provision, Interface Councils commissioned the *Supporting Interface Families* research (2016). Through consultation with social planners and service practitioners, the project established a framework for a foundation service model (core set of essential services) which reflects the key life stages and identifies universal and secondary services that are required to support the development of healthy and robust families in strong communities. In addition, the research found:

- Evidence of higher demand for services and continuing gaps across Interface Council areas
- An imperative for new funding and service commissioning models that are flexible to meet local needs
- A need for significantly improved integrated service planning
- A need for a whole of government commitment to working in partnership to resolve resourcing and integration issues

The *Supporting Interface Families* research project identified that substantial demand-side data was available, but there is no consolidated mechanism to measure the degree to which service provision in Interface areas was responding to the needs and demand within local communities. As such, Interface Councils undertook a service provision gap analysis on a small set of services for which data could be obtained.

The Human Service Gap Analysis Project found that when provision rates across the Interface Councils are compared with the metropolitan Melbourne averages there is evidence of significant gaps across service areas including mental health, allied health, alcohol and other drugs, family violence, disability support and housing and homelessness. It is estimated that an immediate injection of nearly a quarter of a billion dollars is needed to close the service gap.<sup>9</sup>

<sup>8</sup> DHHS LGA Profile, 2015

<sup>9</sup> Millar, R., Schneiders, B., & Lucas, C. (2017, July 2). *Outer suburbs deprived of as much as \$250m in basic services*. Retrieved from The Age: <http://www.theage.com.au/victoria/outer-suburbs-deprived-of-as-much-as-250m-in-basic-services-20170630-gx2878.html>

Some may argue that while they agree that service access should be close to home, it does not mean that it necessarily needs to occur within the LGA of residence, thus challenging the premise of the gap analysis. While Interface Councils acknowledge this vantage point, there are a couple of key issues that lie within it.

- There is a significant lack of access to public transport that connects people, particularly young people, to services outside their municipality when they need it. For example, in Yarra Ranges Shire it would take approximately four hours to complete a round trip via public transport to access the closest headspace centre in Wantirna.
- There is a lack of accountability with some service providers who receive state funding to deliver outreach services within Interface communities. Often, they can meet key performance indicators by delivering services from locations within the same region but still significant distances from Interface areas. For example, a service provider can meet its KPIs for the south-east region by delivering services from Dandenong rather than travelling into Casey and Cardinia.

A recent report by the Victorian Auditor General, *Effective Planning for Growth (2017)*, confirms that many Interface Councils areas are bearing the brunt of an inadequate service system.

“Rapid growth is creating unprecedented challenges for infrastructure and service delivery, especially in the growth areas, where infrastructure and services of all types are limited and generally lag behind population settlement.”

The VAGO report emphasises that planning for services and related infrastructure needs to be based on an understanding of where growth is occurring, at what rate, and the ages, cultural backgrounds and socio-economic circumstances of those living in an area. This is consistent with a key finding of Interface Councils research. A more robust integrated planning framework is required to ensure that appropriate decisions are made about land-use, the services and related infrastructure that are needed for future communities, and when these services will be provided.

Interface Councils strongly support reform of the service system and understand that this process takes time if it is to be done effectively. Given the urgent need to bridge the existing service provision gap in interface areas to meet demand that is currently unmet, Interface Councils are requesting an initial investment of \$250 million. It is critical this funding is provided to assist increasing Interface residents’ access to the health and human support services that all Victorians should have access to no matter where they live.

Interface Councils have identified its the five top priority areas across the region (supported by the Human Service Gap Analysis) as being;

- Mental health
- Family violence<sup>10</sup>
- Housing and homelessness
- Alcohol and other drugs
- Allied health

As the estimated service provision gap relates only to a limited set of services and is in the context of future growth projections and changing demographics, Interface Councils are also requesting that the Victorian Government enter into a specific, long-term funding agreement to ensure that adequate services levels are achieved and maintained across essential health and human services in Interface areas.

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<sup>10</sup> It is acknowledged the Victorian Government is making significant investments to address family violence across the state.

### KEY REQUEST 3: Transparent allocation of Outer Suburban Arterial Road program funding to ensure timely implementation of the required packages as well as funding to ensure VicRoads has the capacity to maximise the efficiency of existing assets in Interface areas

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

The 2013 *Victorian Auditor General's report (VAGO) - Developing Transport Infrastructure and Services for Population Growth Areas* noted "Funding to address the transport needs of growth areas can take more than a generation to materialise. This longstanding disconnect between planning and funding gives credence to the perception that past state-wide planning initiatives have been disingenuous."

Interface Councils welcomed the Government's commitment to improving roads in Interface areas through its commitment to the Outer Suburban Arterial Roads Program (OSAR). Furthermore, it is pleasing to see many of the priorities identified through ongoing collaboration between Interface Councils and VicRoads, through an agreed prioritisation criteria, incorporated into the western OSAR package and being considered for northern and southern packages.

With the western OSAR package announced in late 2016, Interface Councils continue to await expected announcements regarding the southern and northern packages. Interface Councils acknowledge that some individual priority projects were funded in the 2017/18 Budget such as Yan Yean Road, Hallam Road and the Mordialloc Bypass. However, given the success of the approach to delivering the western OSAR package so far, Interface Councils would like to stress the need for the same approach to be applied, as soon as possible, to the northern and south-eastern Interface areas.

Currently there is no clear indication of the funds that will be allocated over coming years to deliver the required road projects. Interface Councils is seeking clarity around how the OSAR program will fund urgently needed arterial road projects across the Interface region. Regardless of the approach, Interface Councils are requesting a transparent allocation of funding in the 2018/19 Budget and in forward estimates to provide certainty for the the implementation of vital priority projects, in the Interface Councils region.

The importance of appropriate road upgrades in Melbourne's outer suburbs is undeniable. With little public transport available, resulting in more than 80 percent dependence on private vehicle transport, many residents spend hours in congestion every day. This is compounded by the fact that many residents are required to travel more than two hours to access employment each day, creating an environment where people spend much less time with their families and friends.

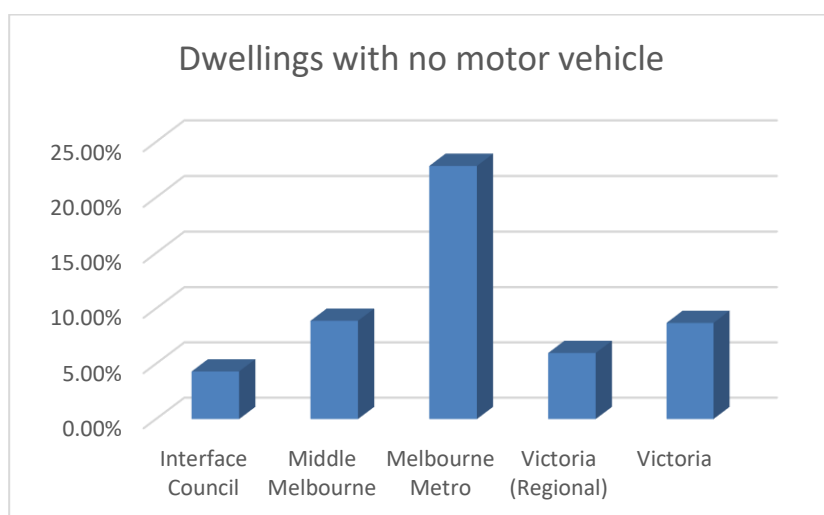
As the population grows and changes and the employment landscape shifts, Interface Councils continue to update their road priorities in collaboration with VicRoads. **This list is available on request.**

Interface Councils are also requesting that appropriate funding be provided to VicRoads to:

- Implement the required technological and infrastructure initiatives to increase the efficiency of the existing road network.
- Undertake the required development and planning activities to ensure Interface Councils priority projects can be brought to fruition. Interface Councils strongly support the continuation of the \$10 million provided in the 2016/17 and 2017/18 budgets.

## KEY REQUEST 4: An investment of \$225 million per annum in the 2018/19 Budget and in forward estimates to bring bus services in Interface areas up to an acceptable standard

There is a pronounced under-provision of public transport services in Interface areas which is creating an over-reliance on car transport, as mentioned previously and highlighted in the graph below. The provision of bus services is largely below what are considered minimum service levels (MSL)<sup>11</sup>. Interface Councils have identified large areas of residential land, including in established areas that are not served by a bus route. The *Interface Councils Liveability Snapshot* identifies that just 57.33 per cent of residents live near public transport.



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 *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)

Interface Councils has been pleased to see a number of significant investments made in rail infrastructure over the past three budgets, such as upgrades for the Ballarat Line and the extension of the Mernda rail. In addition, Interface Councils welcomed the \$100 million for bus services in Melbourne's outer suburbs provided in the 2015/16 Budget, and additional funding (available for only four suburbs within the Interface region), in the 2017/18 Budget. However, inadequate provision and access to bus services in Interface areas remains an urgent concern. The lack of access to services that still exists is having a profound impact on residents' access to jobs, education and services. Moreover, the absence of adequate services to connect residents to other forms of transport means there is a significant car parking issue at outer suburban railway stations, if residents choose to take public transport.

<sup>11</sup> 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

Interface Councils have identified current high priority bus service improvements, many of which were identified in the *PTV Interface Engagement Program Report* <sup>12</sup> but are yet to be implemented by government. These improvements range from minor, easily implemented adjustments that improve access to important services or facilities at no or very low cost, through to significant new or upgraded services to meet the growing needs of newly developed estates, which in some instances can be part-funded through efficiency gains. **This list is available on request.**

Significantly increased funding is required to implement these priority service improvements in a timely manner and ensure service levels enable residents to access the same relative level of jobs, education and services that other Victorians enjoy. Furthermore, new investments will reduce the dependence on motor vehicles that are creating significant congestion on our roads and the impact that these emissions have on our environment.

Interface Councils requests the Government invest \$225 million per annum in the 2018/19 Budget and provide a four-year commitment to this quantum in forward estimates to bring bus services in Interface areas up to an acceptable standard. This is an investment that will generate a substantial return in the immediate future.

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<sup>12</sup> The full *PTV Interface Engagement Program Report* is available on request

## KEY REQUEST 5: Immediate and long-term funding commitments to ensure appropriate and timely land acquisition and schools are provided to meet current and future demand

### *i. Provision of urgently needed unfunded schools to accommodate rapid population growth in Interface municipalities*

The Victorian Government has pledged its commitment to making Victoria the 'Education State' and vowed to ensure children across the state have the best start in life.

Interface Councils are extremely supportive of the investments made in the preceding three budgets including a continued commitment to early land acquisition in Interface areas. However, demand in Interface areas is still placing a significant strain on education facilities. As a result of the increasing speed of population growth in many Interface municipalities, immediate provision of additional pre-schools and primary and secondary schools are needed to provide adequate access to quality education.

As a direct result of poor access to schools, overcrowding and inadequate facilities to support quality learning, young people in the Interface areas are less engaged in education compared to students in other parts of Melbourne. This has resulted in poor education outcomes across interface areas. As identified in the One Melbourne or Two? report (2012):

- Interface residents have significantly lower educational qualifications compared to non-Interface residents
- Just 14 per cent of Interface residents aged 15 years and over hold a degree or higher qualification compared to 28 percent of non-Interface residents
- Almost 50 per cent of those 15 years and over living in Interface councils have no post-school qualifications, compared to 40 percent of non-Interface residents
- 16 percent of 17-year olds living in the Interface do not attend school compared to only 9 percent of 17-year olds in the rest of metropolitan Melbourne
- There are 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 are likely to be at risk on two or more Australian Early Development Index indicators than non-Interface children

Basically, the environment is not engaging nor conducive to quality education and certainly does not meet the Government's policy objectives. If the Government's rhetoric stands true in that "education will be more than just a word – it will be a rock-solid foundation for our economic future," (Daniel Andrews) then the above statistics indicate that further investment in Interface areas is required.

Following ongoing collaboration with the Department, Interface Councils have identified the most crucial sites for land acquisition, as well as new schools and upgrades required to meet the immediate and future need in Melbourne's outer suburbs. Funding these projects will help ensure that Interface areas do not detract from Victoria's status as the 'Education State' and most importantly, will afford children in Interface areas the same opportunities and access to quality education as the rest of the State. **This list can be provided on request.**

Notably, the population of Interface Council areas is forecasted to continue growing at a faster rate than non-Interface Metropolitan Council areas and Regional Council areas over the coming 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 an additional 755,400 people. This demonstrates that the need to continue building, expanding and upgrading schools to meet current and future demand will not diminish.

A key objective of the Department of Education and Training is to 'deliver an asset base that meets demand and responds to need', which has been reflected in many positive investments made over the past three years. However, in light of remaining pressures and future projections, it is imperative to ensure timely and location-appropriate investment continues.

***ii. Long-term funding certainty for early land acquisition and forward planning to maximise opportunities to collocate and integrate facilities.***

Delivering education infrastructure that meets current and future demand in a timely manner and through the most economical and sustainable solutions requires forward planning and an ongoing commitment to early land acquisitions.

The pressures facing schools in the Interface region is a direct result of lagging investment in new schools, upgrades and early land acquisition. As a result, we see schools built for hundreds of students, accommodating numbers in the thousands, as demand significantly outpaces supply. This is despite population projections predicting these trends. Often this means there are more portable classrooms than fixed buildings which limits the ability to provide specialist learning environment. Moreover, where new schools have been built, inadequate forward planning has resulted in issues such as missing links for transport access, poor car parking arrangements and has lost opportunities to collocate other community facilities such as kindergartens.

In many cases, Interface Councils have been prepared for the implementation of collocated and integrated facilities. However, due to a lack of guaranteed funding and delivery timeframes for state infrastructure, councils have been forced to proceed with building the urgently required community infrastructure given the urgency of the project.

Collocated, integrated and shared-use facilities represent enormous opportunities to address multiple infrastructure gaps and growing demand including for education and community infrastructure. To leverage the significant return on investment that can be generated from such projects it is critical that greater certainty is provided around where schools will be built and when.

To ensure there is a whole-of-government effort to provide quality education to rapidly growing populations, Interface Councils request that the State Government maintains investment in early land acquisition and provides longer-term certainty by allocating education funding on a four or eight-year cyclical basis. This will generate significant economic and social savings over the long-term.

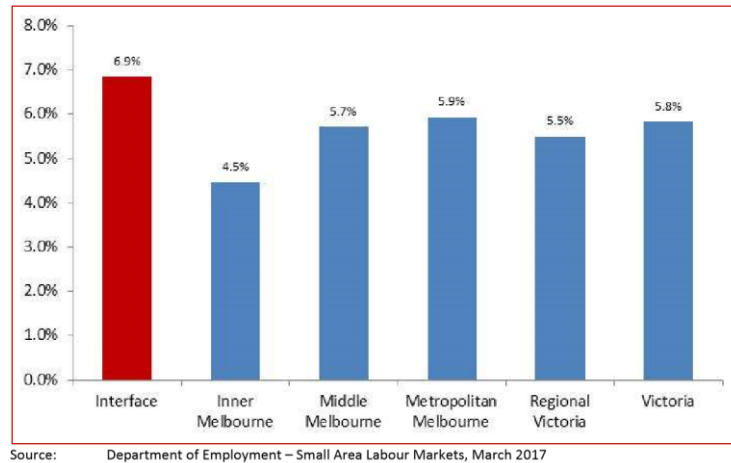
Interface Councils support the need for a degree of flexibility to be embedded in any longer-term commitments ensure local councils and the State Government can respond to changing demand.



**KEY REQUEST 6: A commitment of \$20 million per annum in the 2018/19 Budget and in forward estimates to implement local initiatives that will boost economic development and leverage employment creation in Interface areas**

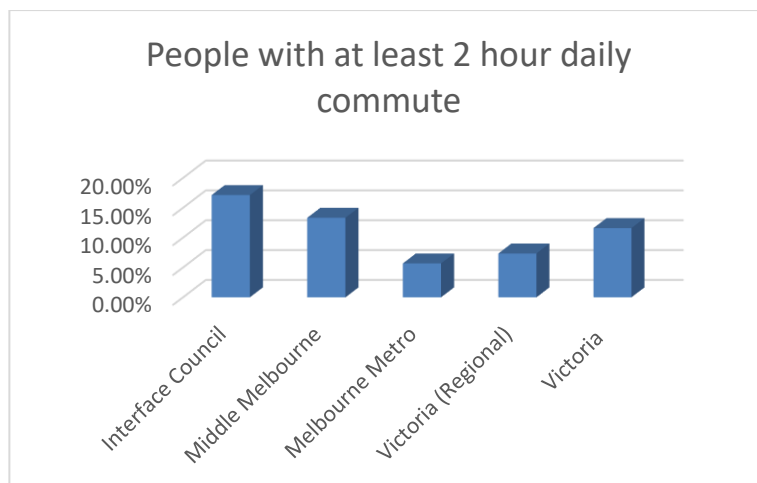
Unemployment in Interface areas is the highest in the State.

**Figure 4: Unemployment Rates – Selected Locations, March 2017**



The provision of local jobs in the Interface areas is the lowest in Victoria with just 0.51 jobs per labor force participant, representing a decline from 0.55 in 2006<sup>13</sup>. This compares to 1 job per labor force participant in non-Interface metropolitan areas and 1.07 for regional Victoria. This means many residents are forced to travel outside of their municipality to access work, with almost 18 per cent of interface communities facing a daily commute of two hours or more, as demonstrated in the graph below.

**Figure 5: 2015 DHHS LGA profiles – Percentage of people who have a daily commute of 2 hours or greater**



Significant investment is required in Melbourne’s outer suburbs to boost economic development and ensure there are more jobs closer to home. State and local governments need to work together to improve the investment attraction in these areas, maximise significant opportunities to boost the visitor economy and leverage the sustainable economic development capacity of Green Wedges.

<sup>13</sup> 2017 Interface Councils Budget Scorecard, *Essential Economics*

Interface Councils are seeking funding support in a number of key areas that will assist with jobs growth and increase the Interface region's contribution to the State's economy. These include:

- Employment creation and investment attraction programs for Interface areas. An example includes:
  - A pilot and co-funded investment program that provides infrastructure, such as medical hubs, hot desk facilities and office spaces for service providers that can be offered to the market on a subsidised rent basis to create and encourage more local jobs. This an extension of projects that have been successfully completed in Hume and Cardinia.
- Training programs aligned with the requirements of businesses to enhance employment opportunities
- Priority economic development projects in Interface Councils Green Wedges that have been estimated to generate more than \$4.2 billion dollars.

## **KEY REQUEST 7:      Funding to establish an inter-departmental taskforce to develop a whole-of-government response to the liveability challenges facing Interface areas**

While the issues and solutions outlined in this submission focus on independent priority areas, the funding gaps for critical infrastructure and services are strongly interlinked. More often than not, it is a combination of these issues that create the liveability challenges that Interface communities face. For example, significant gaps in public transport impacts access to jobs, services and opportunities, creates dependence on motor vehicles and increases financial pressure on residents due to fuel costs. In addition, the pressures we see on roads and the high unemployment rates are a direct result of inadequate access to local jobs.

Significant research commissioned by Interface Councils, as well as parliamentary reports and audits by the Victorian Auditor General have continually identified the urgent need for a whole of government approach to addressing the issues facing Melbourne's outer suburbs. Despite this, there have been limited responses from governments to these recommendations detailed in these reports and there has been little movement towards better integration, coordination and accountability for the planning and delivery of essential infrastructure and services in Interface areas.

Given the significant challenges facing Melbourne's outer suburbs, the Interface Councils request an investment of \$2 million (or sufficient funding), to establish an inter-departmental taskforce led by the Department of Premier and Cabinet in conjunction with the Office of Suburban Development. The purpose of this taskforce would be to develop a plan for the Government to implement the recommendations made in parliamentary inquiries and VAGO reports that detail the gaps in infrastructure and services in Melbourne's outer suburbs. Interface Councils propose that the membership of this taskforce should include a representative from all relevant departments and agencies as well as representatives from the Interface Councils group.

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Interface Councils represents the collective voice of City of Casey, Cardinia Shire Council, Hume City Council, Melton City Council, Mornington Peninsula Shire Council, Mitchell Shire Council, Nillumbik Shire Council, City of Whittlesea, Wyndham City Council and Yarra Ranges Shire Council.

The group of ten municipalities form a ring around outer metropolitan Melbourne. The Interface region includes seven growth area councils. In addition, Interface Councils manage 90% of Green Wedges, some of Melbourne's most important assets.

For more information contact our secretariat on (03) 8317 0111.

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