



ESSENTIAL ECONOMICS

Interface Budget Scorecard 2015

Based on 2015/16 Victorian State Budget

Prepared for

Interface Councils Group

By

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1 FUNDING SCORECARD

Key Points

Total Funding

- Interface Council areas have been allocated \$910 million (over 4 years) in Total Estimated Investment (TEI) from the 2015/16 State Budget (and other grants programs) 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 largest proportion of investment over the four-year period is focused on health (\$280 million or 33% of TEI), associated with new and ongoing hospital projects.
- The next largest infrastructure investment is for public transport (\$193 million or 21% of TEI), mainly associated with ongoing station projects.
- Primary and secondary schools have been allocated \$176 million (or 19% of TEI) over the forward estimates, which includes proposed land purchases in Interface Council areas.
- Roads funding of \$157 million over four years has been allocated (or 17% of TEI) associated with new and ongoing road projects.
- New funding of \$50 million has been allocated for an Interface Councils Infrastructure Fund (5% of TEI), which will assist in the development of multipurpose facilities, community centres, playgrounds or other spaces needed by the community .
- Justice has been allocated \$42 million (or 5% of TEI) over the forward estimates.

- Early childhood / kindergarten investment (\$3 million) and Libraries (\$1 million) have received small allocations through the Children's Facilities Capital Program (2014/15) and Living Libraries Infrastructure Program (2014) respectively.
- For the third consecutive budget, no investment has been made in arts and cultural facilities in Interface Council areas.

Four-year State Budget (2015/16) TEI allocations (which include new and existing funding) for the Interface Council areas are shown in Table 1.1.

Table 1.1: State Capital Investment by Priority Area 2015/16 – Four-Year Budget Cycle Allocation, unless stated (\$'000s).

	Interface Council Areas		Non-Interface Metropolitan Council Areas		Regional Council Areas		Statewide / Unallocated		Victoria	
	<i>Projects</i>	<i>Total Estimated Investment (TEI) ('000s)</i>	<i>Projects</i>	<i>Total Estimated Investment (TEI) ('000s)</i>	<i>Projects</i>	<i>Total Estimated Investment (TEI) ('000s)</i>	<i>Projects</i>	<i>Total Estimated Investment (TEI) ('000s)</i>	<i>Projects</i>	<i>Total Estimated Investment (TEI) ('000s)</i>
Early Childhood / Kindergarten – <u>Annual</u> ⁽¹⁾	104	\$3,012	310	\$4,863	266	\$11,043	-	-	680	\$18,918
Primary School	14	\$79,164	39	\$93,296	18	\$63,330	0	\$0	71	\$235,790
Secondary School	19	\$97,300	41	\$201,787	29	\$156,608	1	\$68,200	90	\$523,895
Special Education	1	\$8,000	1	\$2,500	4	\$21,600	1	\$10,000	7	\$42,100
Further Education	0	\$0	1	\$21,900	0	\$0	2	\$156,800	3	\$178,700
Health	6	\$279,560	19	\$1,311,464	19	\$647,808	23	\$328,868	67	\$2,567,700
Justice	4	\$42,290	3	\$10,085	5	\$123,690	21	\$994,499	33	\$1,170,564
Arts and Culture	0	\$0	7	\$144,539	1	\$11,735	2	\$26,500	10	\$182,774
Roads	7	\$157,804	9	\$1,049,187	16	\$1,674,897	13	\$3,538,151	45	\$6,420,039
Public Transport ⁽²⁾	2	\$192,500	14	\$11,877,256	5	\$894,893	15	\$4,740,025	36	\$17,704,674
Public Libraries <u>Annual</u> ⁽³⁾	2	\$800	5	\$188	7	\$472	-	-	14	\$1,460
Interface Councils Infrastructure Fund	1	\$50,000	-	-	-	-	-	-	-	\$50,000
Total	160	\$910,430	449	\$14,717,065	370	\$3,606,076	78	\$9,863,043	1,057	\$29,096,614

Source: Victorian Budget Papers 2015/16

Notes: ⁽¹⁾ Children's Facilities Capital Program (2014/15)⁽²⁾ Funding of \$10 billion is allocated for Melbourne Metro Rail based on the mid-point of the TEI range⁽³⁾ Living Libraries Infrastructure Program (2014)

Figures rounded

2 BUDGET CYCLICAL INTERFACE FUNDING ESTIMATES V ESTIMATED INTERFACE REQUIREMENTS

Key Points

1. Over the current 4-year budget period an estimated \$1,830 million in investment is required for critical infrastructure (ie early childhood/kindergartens, schools, further education, health and public transport) in Interface Council areas (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.
2. State funding allocated in the 2015/16 budget over a 4-year period represents approximately \$910 million or 50% of this requirement; therefore, a further \$920 million in investment is required from the private sector, Federal Government, Councils or through unallocated State Budget funding, including:
 - \$575 million allocation to build or upgrade roads across the State
 - \$350 million allocated to the TAFE sector, including the TAFE Rescue Fund which to assist with the reopening of closed campuses
 - \$100 million bus package to fund new bus services across the State
 - \$50 million in capital funding for Early Learning Centres (including kindergartens, child and maternal health services and occasional care)
 - \$5 million allocated through an expanded Living Libraries Infrastructure Program.
3. In this 4-year budget cycle, only health is adequately funded (although this needs to be balanced against under-investment in previous budgets), with all other areas of critical infrastructure significantly under-funded over the current budget period.
4. If the estimated funding investment gap of \$920 million is not closed over the 4-year period, this would potentially lead to a significant under-supply (or lag in provision) in local facilities and services such as schools, kindergartens etc, as well as in infrastructure required to increase capacity to support higher levels of public transport usage by Interface residents.
5. The estimated \$920 million shortfall in the 2015/16 budget compares to estimated shortfalls of \$810 million in the 2014/15 budget, \$895 million in 2013/14, and \$955 million in 2012/13 for these specific infrastructure items.

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

Table 2.1: 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	\$3.0m	\$17.1m	-\$14.1m	State/Federal/Private	1,640 places/16 buildings
Primary School	\$79.2m	\$165.1m	-\$85.9m	State/Private	10,090 places/40 buildings
Secondary School	\$97.3m	\$132.3m	-\$35.0m	State/Private	3,530 places/7 secondary schools
Further Education	\$0.0m	\$97.1m	-\$97.1m	State	16,370 places/3 TAFE campuses
Health	\$279.6m	\$291.5m	-\$11.9m	State/Private	30 beds/0.4 hospitals
Public Transport	\$192.5m	\$1,127.7m	-\$935.2m	State/Federal	Unable to cater for 26,800 new public service users
Other (roads, justice, libraries, arts and culture, Interface Council Infrastructure fund)	\$258.8	n/a	n/a	n/a	n/a
Total	\$910.4m	\$1,830.8m	-920.4 m	-	-

Source: ⁽¹⁾ Victorian Budget Papers 2015/16, Children's Facilities Capital Program Recipients (2014/15), Living Libraries Infrastructure Program (2014); ⁽²⁾ Essential Economics, *One Melbourne or Two – Implications of Population Growth for Infrastructure and Services in Interface Area*, 2012.

Note: Figures rounded

3 BUDGET FUNDING EQUITY SCORECARD

Key Points

1. Interface Council areas accommodate approximately 25% of Victoria's population and 33% of Metropolitan Melbourne's population (ABS Estimated Resident Population, June 2014 provisional). Over the past decade, 2004 to 2014, Interface Council areas have been responsible for accommodating 45% of all State population growth and 52% of all Metropolitan Melbourne population growth.
2. In the most recent 5-year period (2009-2014), population growth in Interface Council areas (+3.2% pa) has far outstripped population growth in non-Interface Metropolitan Council areas (+1.3% pa) and Regional Council areas (+0.6% pa).
3. Overall, Interface Council areas do not receive State funding in proportion to their share of total population numbers or their share of population growth.
4. However, the 2015/16 Budget allocated 33% of new funding to Interface Council areas, which marks a significant improvement on the 17% share of new funding allocated in the 2014/15 budget, and the 16% share of new funding allocated in the 2013/14 budget.
5. When new and existing funding is considered over the forward estimates, Interface Council areas received just 5% of total allocated investment for key infrastructure items, and this compares to 77% funding for Non-Interface Metropolitan Melbourne Council areas and 19% funding for Regional Council areas.
6. Interface Council areas were allocated 34% of primary school funding, 25% of special education funding, 22% of secondary school funding and 16% of early childhood / kindergarten funding (refers to 2014/15).
7. 13% of allocated State health funding was directed towards Interface Council areas (up from 5% in the 2014/15 Budget), and this contrasts with 59% of funding for Non-Interface Metropolitan Council areas and 29% for Regional Council areas.
8. Interface Council areas also received relatively small shares of allocated State justice funding (24%), roads funding (6%), and public transport funding (1.5%).

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

Table 3.1: Budget Funding by Priority Area (existing and new funding)

	Projects		Total Funding (Allocated and Unallocated)		Allocated Funding Only	
	Number of Projects	Share of Projects	TEI (000s)	Share of TEI	TEI (000s)	Share of TEI
Interface Council Areas	159	15.1%	\$910,430	3.1%	\$910,430	4.7%
Non-Interface Metropolitan Council Areas	449	42.5%	\$14,717,065	50.6%	\$14,717,065	76.5%
Regional Council Areas	370	35.0%	\$3,606,076	12.4%	\$3,606,076	18.8%
State-wide / Unallocated / location non-specific	78	7.4%	\$9,863,043	33.9,0%	-	-
Total	1,056	100.0%	\$29,096,614	100.0%	\$19,233,571	100.0%

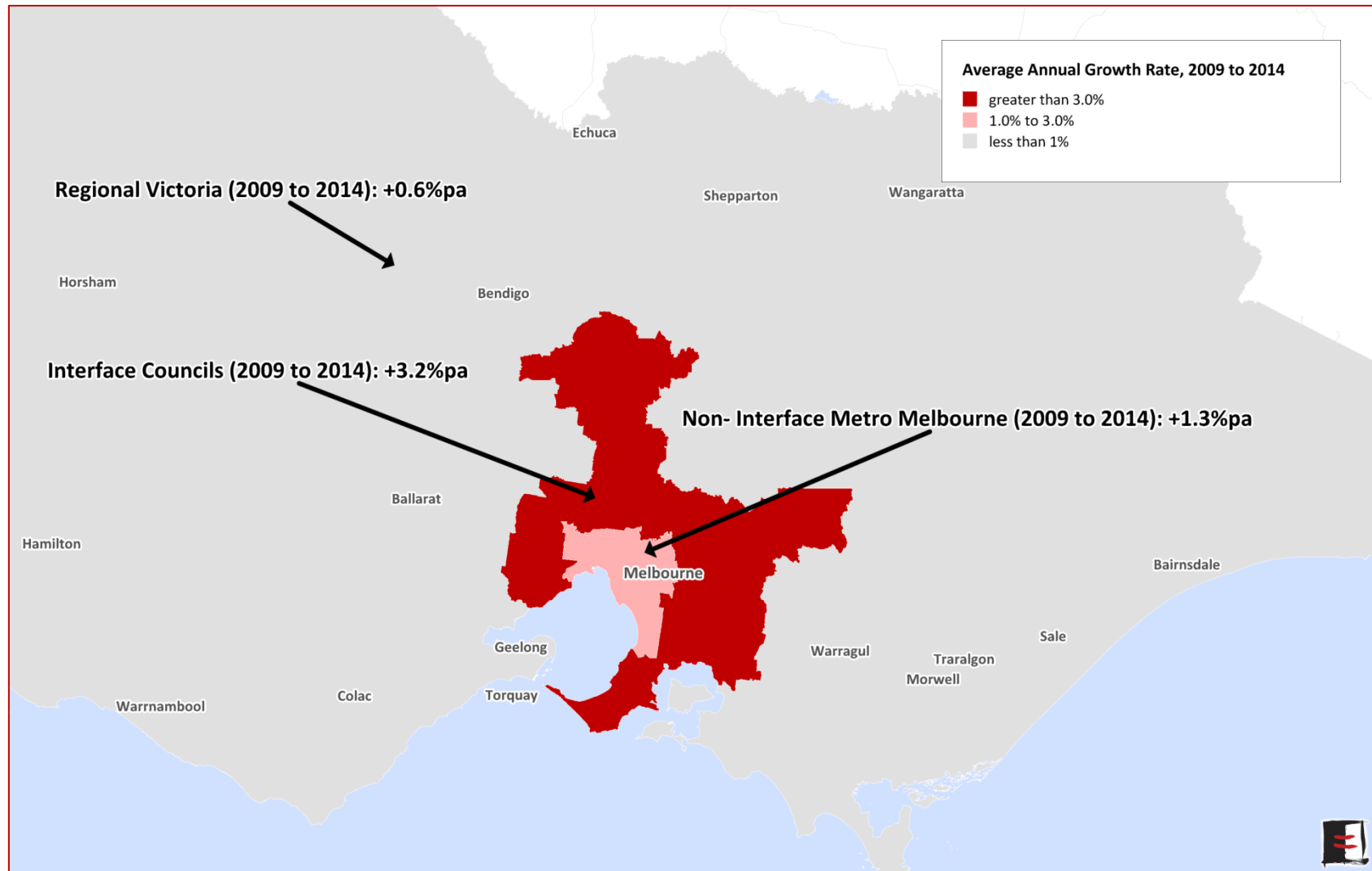
Source: Victorian Budget Papers 2015/16; Children's Facilities Capital Program Recipients 2014/15.

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

	Interface Council Areas		Non-Interface Metropolitan Council Areas		Regional Council Areas		Total	
	<i>Projects</i>	<i>Investment</i>	<i>Projects</i>	<i>Investment</i>	<i>Projects</i>	<i>Investment</i>	<i>Projects</i>	<i>Investment</i>
Early Childhood / Kindergarten - <u>Annual</u>	15.3%	15.9%	45.6%	25.7%	39.1%	58.4%	100.0%	100.0%
Primary School	19.7%	33.6%	54.9%	39.6%	25.4%	26.9%	100.0%	100.0%
Secondary School	21.3%	21.4%	46.1%	44.3%	32.6%	34.4%	100.0%	100.0%
Special Education	16.7%	24.9%	16.7%	7.8%	66.7%	67.3%	100.0%	100.0%
Further Education	0.0%	0.0%	100.0%	100.0%	0.0%	0.0%	100.0%	100.0%
Health	13.6%	12.5%	43.2%	58.6%	43.2%	28.9%	100.0%	100.0%
Justice	33.3%	24.0%	25.0%	5.7%	41.7%	70.3%	100.0%	100.0%
Arts and Culture	0.0%	0.0%	87.5%	92.5%	12.5%	7.5%	100.0%	100.0%
Roads	21.9%	5.5%	28.1%	36.4%	50.0%	58.1%	100.0%	100.0%
Public Transport	9.5%	1.5%	66.7%	91.6%	23.8%	6.9%	100.0%	100.0%
Public Libraries <u>Annual</u>	14.3%	54.8%	35.7%	12.9%	50.0%	32.3%	100.0%	100.0%
Interface Councils Infrastructure Fund	100.0%	100.0%	0.0%	0.0%	0.0%	0.0%	100.0%	100.0%

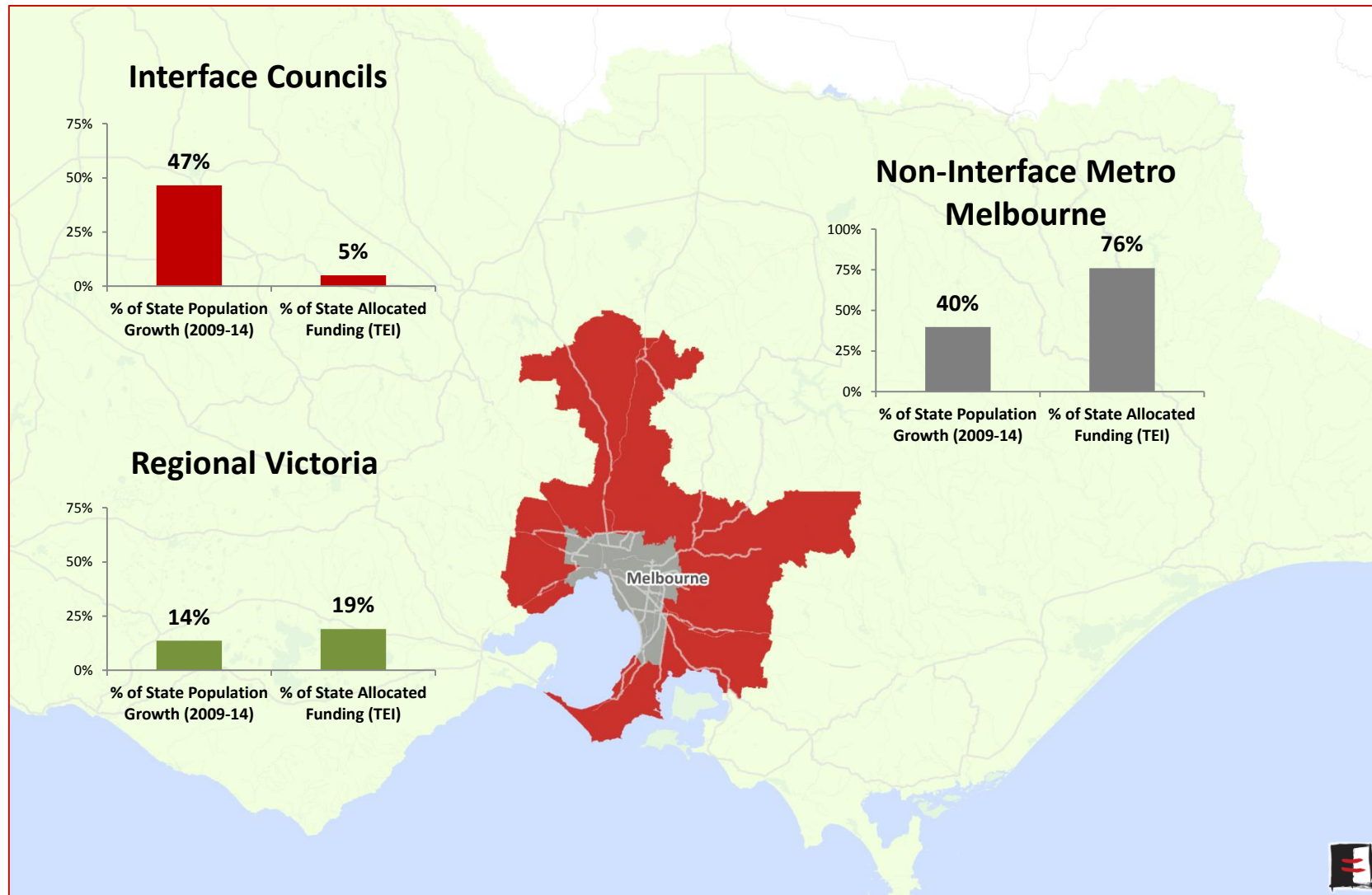
Source: Victorian Budget Papers 2015/16
 Figures rounded

Figure 3.1: Population Growth (Annual Average Growth Rate 2009 to 2014), by Region



Source: ABS, 3218.0 Regional Population Growth, Australia and Table 3.1.

Figure 3.2: Percentage Share of Population Growth (2009-14) v Percentage Allocated Funding (TEI), By Geographical Region



Source: ABS, 3218.0 Regional Population Growth, Australia

4 EMPLOYMENT SCORECARD

1. The unemployment rate in Interface Council areas was 7.1% as of December 2014. This is higher than rates for both Non-Interface Metropolitan Council areas (6.5%) and Regional Council areas (6.3%). As of December 2014, 35% of all unemployed persons in Metropolitan Melbourne (approximately 55,000 persons) were labour force participants from Interface Council areas, which is higher than the 32% labour force contribution these areas make to Metropolitan Melbourne's overall labour force.
2. 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 Council areas continue to provide approximately 1 job per workforce participant, while job provision in Regional 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. Note that this information is only updated every 5 years through the ABS Census.

Employment data is shown in Table 4.1

Table 4.1: Economic Development Scorecard – Employment

	Interface Council Areas	Non-Interface Metropolitan Council Areas	Regional Council Areas
Employment			
Unemployment Rate (December 2014) ⁽¹⁾	7.1%	6.5%	6.3%
Unemployment Rate (December 2013) ⁽²⁾	6.5%	5.7%	5.4%
Unemployment Rate (December 2012) ⁽²⁾	6.0%	5.2%	5.7%
Unemployment Rate (December 2011) ⁽²⁾	5.6%	4.7%	5.2%
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

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

5 NEW BUILDING INVESTMENT SCORECARD

1. In 2014, Interface Council areas secured 25% of all new building investment across the State (down from 30% in 2011) which equates to \$5.1 billion in new investment (down from \$5.4 billion in 2011) over the year. The 2014 figure represents an expansion in new building investment of approximately +\$1.69 billion (or +46%) over the 12 months, which is similar to the uplifts experienced in Non-Interface Metropolitan Council areas (+45%) but lower than for Regional Council areas (+66%) over the year.
2. 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. In this regard an assessment of the longer-term trend is more useful. Four-year investment trends for Interface Council areas show a decline in new building investment from \$5.4 billion in 2011 to \$5.1 billion in 2014, which equates to a -9% contraction over the period. This is in contrast to investment expansion observed for Non-Interface Metropolitan Council areas (+20%) and Regional Council areas (+22%) between 2011-2014.
3. The main focus of investment in Interface Council areas in 2014 remains domestic dwelling construction (\$4.1 billion or 79% of all investment), which represents an increase of +\$1.58 billion (or +63%) over the 12 months. Over the same period the Interface's share of state-wide domestic investment remained constant at 35%.
4. In 2014 Interface Council areas again secured a very small proportion of new building investment in hospital/healthcare (5%, down from 14% in 2013), while the proportion of investment in new public buildings was stable (32% in 2014 compared to 33% in 2013). The four-year trend for these key areas of community infrastructure investment shows Interface Council areas securing 10% of hospital/healthcare building investment (compared to 64% for Non-Interface Council areas and 27% for Regional Council areas) and 26% of public building investment over the period (compared to 50% for Non-Interface Council areas and 25% for Regional Council areas).
5. Between 2013 and 2014, Interface Council areas recorded a decrease in both commercial building investment (from \$344 million to \$326 million) and industrial building investment (from \$110 million to \$83 million), but a small increase in retail building investment (from \$186 million to \$212 million). The four-year trend for these sectors shows Interface Council areas securing 21% of commercial building investment (compared to 65% for Non-Interface Council areas and 14% for Regional Council areas), 23% of industrial building investment (compared to 42% for Non-Interface Council areas and 35% for Regional Council areas), and 29% of retail building investment (compared to 54% for Non-Interface Council areas and 17% for Regional Council areas).

New building investment data is included in Table 5.1 and Figure 5.1., with all values expressed in current prices, unadjusted for inflation.

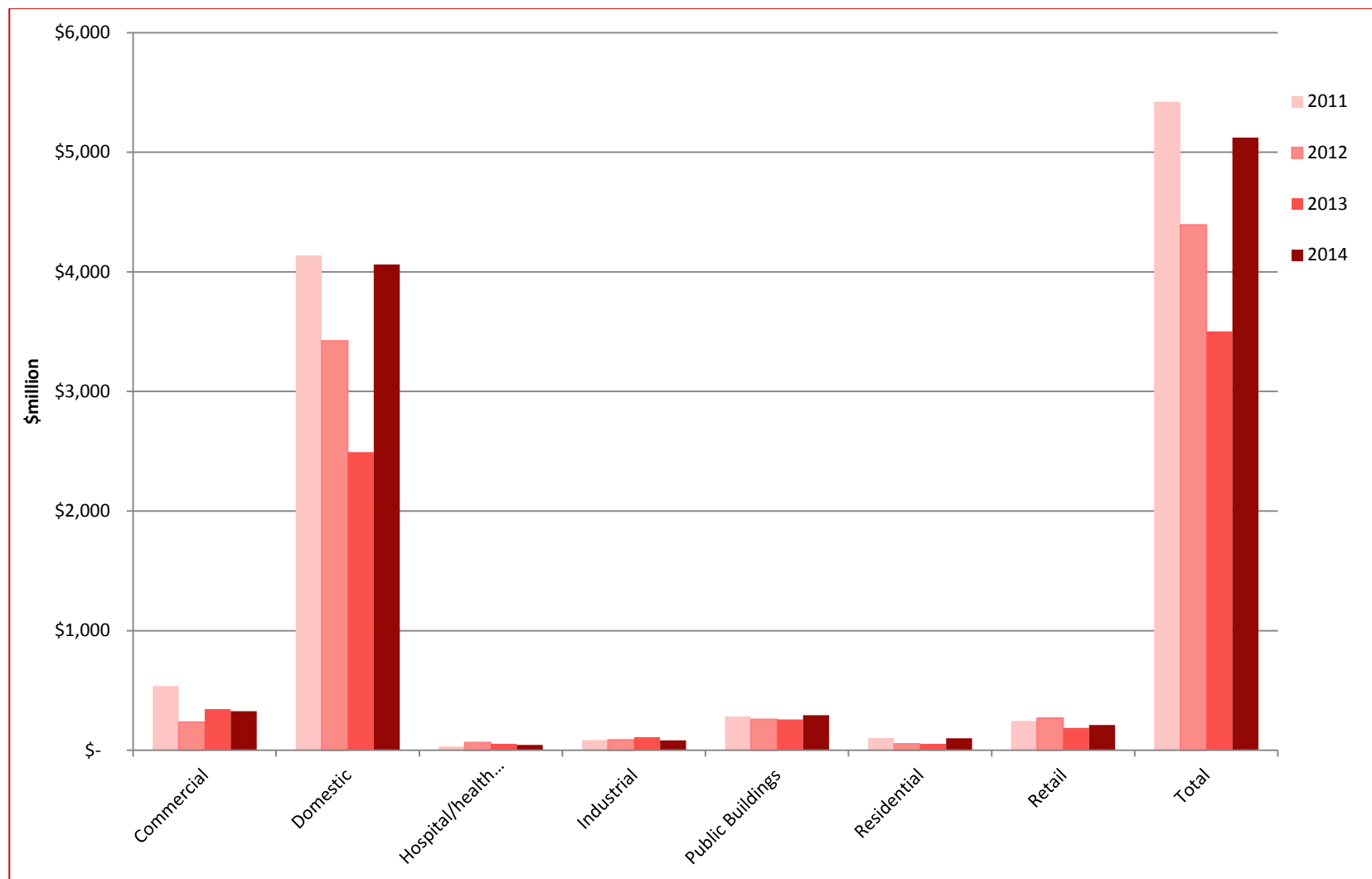
Table 5.1: Economic Development Scorecard – Building Investment

	2011		2012		2013		2014		2011-14	
	Value	Share	Value	Share	Value	Share	Value	Share	Value	Share
	Interface Council Areas									
Commercial	\$538m	31%	\$237m	14%	\$344m	21%	\$326m	18%	\$1,444m	21%
Domestic	\$4,137m	40%	\$3,423m	36%	\$2,494m	35%	\$4,061m	35%	\$14,114m	37%
Hospital/healthcare	\$32m	17%	\$65m	13%	\$54m	14%	\$46m	5%	\$196m	10%
Industrial	\$85m	23%	\$88m	21%	\$110m	39%	\$83m	16%	\$367m	23%
Public Buildings	\$283m	20%	\$259m	23%	\$259m	33%	\$293m	32%	\$1,094m	26%
Residential	\$103m	3%	\$53m	2%	\$54m	2%	\$102m	3%	\$312m	2%
Retail	\$246m	36%	\$269m	36%	\$186m	24%	\$212m	23%	\$913m	29%
Total	\$5,423m	30%	\$4,394m	26%	\$3,502m	26%	\$5,122m	25%	\$18,440m	27%
	Non-Interface Metropolitan Council Areas									
Commercial	\$972m	56%	\$1,221m	74%	\$1,154m	69%	\$1,110m	62%	\$4,457m	65%
Domestic	\$3,380m	33%	\$3,313m	35%	\$2,739m	38%	\$4,453m	39%	\$13,885m	36%
Hospital/healthcare	\$106m	57%	\$311m	62%	\$284m	75%	\$591m	61%	\$1,292m	64%
Industrial	\$179m	47%	\$232m	55%	\$117m	41%	\$149m	28%	\$676m	42%
Public Buildings	\$804m	56%	\$606m	53%	\$342m	43%	\$374m	41%	\$2,125m	50%
Residential	\$3,204m	94%	\$2,800m	94%	\$2,297m	88%	\$3,576m	94%	\$11,877m	93%
Retail	\$332m	49%	\$359m	47%	\$479m	62%	\$525m	56%	\$1,696m	54%
Total	\$8,976m	49%	\$8,842m	52%	\$7,412	54%	\$10,778m	53%	\$36,009m	52%
	Regional Council Areas									
Commercial	\$229m	13%	\$184m	11%	\$163m	10%	\$359m	20%	\$934m	14%
Domestic	\$2,803m	27%	\$2,731m	29%	\$1,899m	27%	\$3,003m	26%	\$10,434	27%
Hospital/healthcare	\$47m	25%	\$122m	24%	\$43m	11%	\$334m	34%	\$546	27%
Industrial	\$113m	30%	\$102m	24%	\$59m	21%	\$295m	56%	\$567	35%
Public Buildings	\$348m	24%	\$285m	25%	\$187m	24%	\$237m	26%	\$1,058	25%
Residential	\$106m	3%	\$128m	4%	\$273m	10%	\$141m	4%	\$648	5%
Retail	\$106m	16%	\$129m	17%	\$112m	14%	\$193m	21%	\$540	17%
Total	\$3,751m	21%	\$3,680m	22%	\$2,736m	20%	\$4,560m	22%	\$14,727	21%

Source: Building Commission of Victoria

Notes: Values expressed in current prices, unadjusted for inflation

Figures rounded

Figure 5.1: New Building Investment Trends, Interface Council Areas, 2011, 2012, 2013 and 2014

Source: Building Commission of Victoria

Note: Figures rounded

6 ECONOMIC OUTPUT SCORECARD

1. Economic output data for 2013/14, 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 \$47 billion (or 14%) to Victoria's GSP of (\$333 billion) for the 2013/14 financial year.
2. The Interface Council areas proportional contribution to Victoria's GSP (14%) has only marginally improved since 2010/11 (when the proportion was 13%), and remains well below GSP contributions from Non-Interface Metropolitan Council areas (67%) and Regional Council areas (approximately 20%).
3. This data highlights the fact that many Interface labour force participants are involved in economic-generating activities outside the Interface (predominantly in other metropolitan areas), as Interface Council areas contribute 25% of the total State labour force, but only generate 14% of Victoria's GSP (as noted above).
4. Non-Interface Metropolitan Council areas provide 52% of total State labour force and generate 67% of Victoria's GSP, while Regional Council areas provide 22% of the State's total labour force and generate 20% of Victoria's GSP.

Table 6.1: Economic Output Scorecard – Gross State Product (GSP) 2010/11 and 2013/14

	2010/11		2013/14	
	GSP Value	Proportion of State GSP	GSP Value	Proportion of State GSP
Interface Council Areas	\$42.2 billion	13%	\$46.7 billion	14%
Non-Interface Metropolitan Council Areas	\$210.2 billion	67%	\$223.6 billion	67%
Regional Council Areas	\$61.2 billion	20%	\$62.9 billion	19%
Victoria	\$313.6 billion	100%	\$333.2 billion	100%

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

Note: Figures rounded

7 EARLY CHILDHOOD / KINDERGARTEN SCORECARD

Table 7.1: Early Childhood / Kindergarten Scorecard

	Projects	Share of Total	TEI*	Share of TEI
Interface Council Areas	106	16%	\$3,029,709	16%
Non-Interface Metropolitan Council Areas	310	45%	\$4,863,358	26%
Regional Council Areas	266	39%	\$11,043,408	58%
State-wide / unallocated / location non-specific	-	-	-	-
Total	682	100%	\$ 18,936,475	100%

Sources: Children's Facilities Capital Program recipients 2014/15, Department of Education and Early Childhood Development

Funded Interface Projects (2014/15)

Major Infrastructure Grants

• Clarinda Family and Community Centre	Cranbourne West	\$1,600,000
• Arena Children's Centre	Officer	\$650,000
• Little Beacons Learning Centre	Pakenham	\$291,223

Minor Infrastructure Grants

• Attwood Child Care Centre and Kindergarten	Attwood	\$10,000
• Beaconsfield Kindergarten	Beaconsfield	\$9,000
• Jack & Jill Kindergarten	Beaumaris	\$8,000
• Derek Robson Children's Services Centre	Broadmeadows	\$10,000
• Broadmeadows Preschool	Broadmeadows	\$10,000
• Brookside Preschool	Caroline Springs	\$10,000

• Cockatoo Kinder	Cockatoo	\$5,800
• Hilton Street Preschool	Craigieburn	\$10,000
• Bank Street Preschool	Craigieburn	\$10,000
• Dallas Kindergarten @ Dallas Brooks Community Primary School	Dallas	\$10,000
• Upfield Kindergarten@Dallas Brooks Community Primary School	Dallas	\$10,000
• Diamond Creek Memorial Preschool	Diamond Creek	\$10,000
• Goodstart Early Learning Endeavour Hills - Hanna Drive	Endeavour Hills	\$9,845
• Goodstart Early Learning Endeavour Hills - Barnsley Drive	Endeavour Hills	\$10,000
• Hastings Kindergarten	Hastings	\$8,350
• Ferguson Park Kindergarten	Hurstbridge	\$10,000
• Hansen Park Preschool	Kilsyth	\$10,000
• Palm Grove Preschool	Kilsyth	\$10,000
• Goodstart Early Learning Melton - Centenary Avenue	Kurunjang	\$10,000
• Laverton Community Children's Centre	Laverton	\$7,720
• Bethal Primary School Kindergarten	Meadow Heights	\$10,000
• Goodstart Early Learning Melton - High Street	Melton	\$10,000
• Goodstart Early Learning Mill Park - Centenary Drive	Mill Park	\$10,000
• Sarah Court Preschool	Montrose	\$10,000
• Goodstart Early Learning Montrose	Montrose	\$10,000
• Mooroolbark Early Childhood Education Centre	Mooroolbark	\$4,740
• Rolling Hills Kindergarten	Mooroolbark	\$10,000
• Goodstart Early Learning Mooroolbark	Mooroolbark	\$9,802
• Mt Evelyn Memorial Preschool	Mount Evelyn	\$9,751
• Mount Martha Kindergarten	Mount Martha	\$6,995
• Narre Warren Central Preschool	Narre Warren	\$9,000
• Pakenham Heights Kindergarten	Pakenham	\$10,000
• Bluebird Way Child and Family Centre	Roxburgh Park	\$10,000
• Seville Preschool	Seville	\$9,124
• Seymour Preschool Centre	Seymour	\$6,382

• St Andrews Sunbury Kindergarten	Sunbury	\$10,000
• Goodstart Early Learning Sunbury - Bennett Court	Sunbury	\$9,845
• Tecoma Kindergarten	Tecoma	\$4,290
• Upper Beaconsfield Kindergarten	Upper Beaconsfield	\$9,418
• Sherbrooke Family and Children's Centre	Upwey	\$3,600
• Upwey South Preschool	Upwey	\$5,023
• Wandong Kindergarten	Wandong	\$10,000
• Goodstart Early Learning Werribee	Werribee	\$10,000
• Goodstart Early Learning West Melton	West Melton	\$9,438

Minor Infrastructure Grants (Information Technology)

• Attwood Child Care Centre and Kindergarten	Attwood	\$1,500
• Avonsleigh Kindergarten	Avonsleigh	\$1,500
• Berwick Kindergarten	Berwick	\$1,500
• Bridgewater Kindergarten	Berwick	\$1,500
• Bittern Preschool	Bittern	\$1,195
• Derek Robson Children's Services Centre	Broadmeadows	\$1,398
• Meadows Primary School Kindergarten	Broadmeadows	\$1,398
• Broadmeadows Preschool	Broadmeadows	\$1,500
• Brookfield Children's Centre	Brookfield	\$1,500
• Bunyip Kindergarten	Bunyip	\$1,500
• KU Craigieburn Children's Centre	Craigieburn	\$1,189
• Crib Point Preschool	Crib Point	\$1,449
• Dallas Kindergarten @ Dallas Brooks Community Primary School	Dallas	\$1,500
• Upfield Kindergarten@Dallas Brooks Community Primary School	Dallas	\$1,500
• Diggers Rest Preschool	Diggers Rest	\$1,449
• Eltham Woods Preschool	Eltham	\$1,478
• Emerald Preschool	Emerald	\$1,496

• Allara Kindergarten	Endeavour Hills	\$1,500
• Chalcot Lodge Kindergarten	Endeavour Hills	\$1,500
• Oakbrook Kindergarten	Epping	\$1,449
• Hastings Kindergarten	Hastings	\$1,500
• Goodstart Early Learning Hoppers Crossing - Morris Road	Hoppers Crossing	\$1,500
• Goodstart Early Learning Melton - Centenary Avenue	Kurunjang	\$1,500
• Lang Lang Preschool	Lang Lang	\$1,110
• Cooraminta North Kindergarten	Laverton North	\$1,395
• The Joey Club Melbourne	Melbourne Airport	\$1,189
• Goodstart Early Learning Melton - High Street	Melton	\$1,500
• Melton Uniting Kindergarten	Melton	\$1,398
• Kingsway Preschool	Melton	\$1,449
• Brookfield Preschool	Melton South	\$1,500
• Try Mt. Carberry Preschool	Melton South	\$1,449
• Try Melton West Preschool	Melton West	\$1,449
• Mernda Villages Kindergarten	Mernda	\$1,449
• Goodstart Early Learning Mill Park - Centenary Drive	Mill Park	\$1,500
• Mill Park Preschool	Mill Park	\$1,449
• Roycroft Kindergarten	Mill Park	\$1,449
• Goodstart Early Learning Montrose	Montrose	\$1,500
• Mooroolbark Early Childhood Education Centre	Mooroolbark	\$800
• Gray Court PreSchool	Mooroolbark	\$1,305
• Goodstart Early Learning Mooroolbark	Mooroolbark	\$1,500
• UYCH Children's Centre Morrisons Campus	Mt Evelyn	\$1,500
• Hollins Children's Centre	Pakenham	\$1,397
• Homegarth Community Kindergarten	Pakenham	\$1,459
• Pakenham Heights Kindergarten	Pakenham	\$1,500
• Andrews Community Kindergarten	Pakenham	\$904
• Pakenham Springs Children's Centre	Pakenham	\$1,500

• Henry Family Children's Centre	Pakenham	\$1,468
• Research Preschool	Research	\$1,500
• Rockbank Kindergarten	Rockbank	\$1,449
• Roxburgh Park Community House & Children's Centre	Roxburgh Park	\$1,398
• Seymour Preschool Centre	Seymour	\$998
• St Andrews Sunbury Kindergarten	Sunbury	\$1,398
• Goodstart Early Learning Sunbury - Bennett Court	Sunbury	\$1,500
• Taylors Hill Kindergarten	Taylors Hill	\$1,500
• Goodstart Early Learning Werribee	Werribee	\$1,500
• Goodstart Early Learning West Melton	West Melton	\$1,500
• Yarra Glen Preschool	Yarra Glen	\$1,500
• Upper Yarra Community House	Yarra Junction	\$1,500

8 PRIMARY SCHOOL FUNDING SCORECARD

Table 8.1: Primary School Funding Scorecard

	Projects	Share of Total	TEI (000s)	Share of TEI
Interface Council Areas	14	19.7%	\$79,164	33.6%
Non-Interface Metropolitan Council Areas	39	54.9%	\$93,296	39.6%
Regional Council Areas	18	25.4%	\$63,330	26.9%
State-wide / unallocated / location non-specific	0	0.0%	\$0	0.0%
Total	71	100.0%	\$235,790	100.0%

Source: Victorian Budget Papers 2015/16

Funded Interface Projects

New funding

- Craigieburn North West Primary School – new school (Craigieburn) TEI: \$12.2 million
- Mill Park Heights Primary School – modernisation – replacement of relocatable classrooms with new facilities (Mill Park) TEI: \$6.0 million
- Yarra Junction Primary School – modernisation – new classrooms and an art room (Yarra Junction) TEI: \$2.0 million
- Land acquisitions – Taylors Hill West, Davis Creek, Edgars Creek, Gum Scrub Creek (various) TEI: \$39.7million

Existing funding

- Alamanda K–9 College (stage 2) (Point Cook) (c) TEI: \$8.0 million
- Cranbourne West Primary School (Cranbourne) TEI: \$0.9 million
- Kinglake Primary School (Kinglake) TEI: \$0.1 million
- Manchester Primary School (Mooroolbark) TEI: \$1.3 million

• Moorooduc Primary School (Moorooduc)	TEI: \$0.8 million
• Pearcedale Primary School (Pearcedale) (c)	TEI: \$1.0 million
• Pembroke Primary School (Mooroolbark)	TEI: \$2.2 million
• Quarry Hill Primary School (Quarry Hill)	TEI: \$1.9 million
• Wallan Primary School (Wallan)	TEI: \$1.6 million
• Wattle Glen Primary School (Wattle Glen)	TEI: \$1.5 million

9 SECONDARY SCHOOL FUNDING SCORECARD

Table 9.1: Secondary School Funding Scorecard

	Projects	Share of Total	TEI (000s)	Share of TEI
Interface Council Areas	19	21.1%	\$97,300	18.6%
Non-Interface Metropolitan Council Areas	41	45.6%	\$201,787	38.5%
Regional Council Areas	29	32.2%	\$156,608	29.9%
State-wide / unallocated / location non-specific	1	1.1%	\$68,200	13.0%
Total	90	100.0%	\$523,895	100.0%

Source: Victorian Budget Papers 2015/16

Funded Interface Projects

New funding

- Cranbourne Secondary College – modernisation – upgrade science and technology wing and build new classrooms, completing stage 3 of the school rebuild (Cranbourne) (b) TEI: \$1.0 million
- Emerald Secondary College – modernisation – replacement of relocatable classrooms with new facilities (Emerald) TEI: \$1.5 million
- Hampton Park Primary School – regeneration – refurbishment and enhancement of school facilities (Hampton Park) TEI: \$5.0 million
- Hazel Glen College – new school – stages 3 and 4 (Doreen) (a) TEI: \$7.8 million
- Monbulk College – modernisation – refurbishment and enhancement of school facilities (Monbulk) TEI: \$3.0 million
- St Helena Secondary College and Glen Katherine Primary School – community sports – upgrade of sporting facilities (Eltham North) TEI: \$2.5 million
- Sunbury College – modernisation – repair and refurbish the school's science wing (Sunbury) TEI: \$3.0 million
- Tarneit P–9 College – new school stage 2 (Tarneit) TEI: \$10.0 million
- Wallan Secondary College – modernisation – refurbishment and enhancement of school facilities (Wallan) TEI: \$5.0 million

- Werribee Secondary College – regeneration – stage 3 of the school redevelopment (Werribee) TEI: \$7.0 million

Existing funding

- Doreen Secondary College – new school (stage 2) (Doreen) (e) TEI: \$12.0 million
- Eltham High School (Eltham) TEI: \$2.6 million
- Mount Ridley P–12 College (stage 5 of new school) (Craigieburn) TEI: \$5.0 million
- Officer Secondary College – new school (stage 2) (Officer) TEI: \$13.0 million
- Somerville Secondary College – new facilities (Somerville) TEI: \$4.0 million
- Truganina P–9 School – new school (stage 2) (Truganina) TEI: \$7.0 million
- Whittlesea Secondary College (Whittlesea) TEI: \$4.7 million

10 SPECIAL EDUCATION FUNDING SCORECARD

Table 10.1: Special Education Funding Scorecard

	Projects	Share of Total	TEI (000s)	Share of TEI
Interface Council Areas	1	14.3%	\$8,000	19.0%
Non-Interface Metropolitan Council Areas	1	14.3%	\$2,500	5.9%
Regional Council Areas	4	57.1%	\$21,600	51.3%
State-wide / unallocated / location non-specific	1	14.3%	\$10,000	23.8%
Total	7	100.0%	\$42,100	100.0%

Source: Victorian Budget Papers 2015/16

Funded Interface Projects

Existing funding

- Western Autistic School – new facilities (Laverton)

TEI: \$8.0 million

11 FURTHER EDUCATION FUNDING SCORECARD

Table 11.1: Further Education Funding Scorecard

	Projects	Share of Total	TEI (000s)	Share of TEI
Interface Council Areas	0	0.0%	\$0	0.0%
Non-Interface Metropolitan Council Areas	1	33.3%	\$21,900	12.3%
Regional Council Areas	0	0.0%	\$0	0.0%
State-wide / unallocated / location non-specific	2	66.7%	\$156,800	87.7%
Total	3	100.0%	\$178,700	100.0%

Source: Victorian Budget Papers 2015/16

Funded Interface Projects

n/a

12 HEALTH FUNDING SCORECARD

Table 12.1: Health Funding Scorecard

	Projects	Share of Total	TEI (000s)	Share of TEI
Interface Council Areas	6	9.0%	\$279,560	10.9%
Non-Interface Metropolitan Council Areas	19	28.4%	\$1,311,464	51.1%
Regional Council Areas	19	28.4%	\$647,808	25.2%
State-wide / unallocated / location non-specific	23	34.3%	\$328,868	12.8%
Total	67	100.0%	\$2,567,700	100.0%

Source: Victorian Budget Papers 2015/16

Funded Interface Projects

New funding

- Angliss Hospital intensive care unit and short stay unit (Upper Ferntree Gully) TEI: \$20.0 million
- Casey hospital expansion (Berwick) (a) TEI: \$106.3 million
- Werribee Mercy Hospital – acute expansion (Werribee) TEI: \$85.0 million

Existing funding

- Major expansion for Healesville Hospital (Healesville) TEI: \$4.6 million
- Northern Hospital inpatient capacity expansion (Epping) TEI: \$29.0 million
- Werribee Mercy Hospital mental health expansion (Werribee) TEI: \$34.7 million

13 JUSTICE AND REGULATION FUNDING SCORECARD

Table 13.1: Justice Funding Scorecard

	Projects	Share of Total	TEI (000)	Share of TEI
Interface Council Areas	4	12.1%	\$42,290	3.6%
Non-Interface Metropolitan Council Areas	3	9.1%	\$10,085	0.9%
Regional Council Areas	5	15.2%	\$123,690	10.6%
State-wide / unallocated / location non-specific	21	63.6%	\$994,499	85.0%
Total	33	100.0%	\$1,170,564	100.0%

Source: Victorian Budget Papers 2015/16

Funded Interface Projects

New funding

- Mernda Police Station (Mernda) TEI: \$15.0 million
- Multi-Disciplinary Centres – new centre (Wyndham) TEI: \$4.0 million

Existing funding

- Victoria Police Mounted Branch relocation project (Attwood) TEI: \$11.9 million
- New Children's Court at Broadmeadows (Broadmeadows) (a) TEI: \$11.4 million

14 ARTS AND CULTURAL FACILITIES

Table 14.1: Arts and Cultural Funding Scorecard

	Projects	Share of Total	TEI (000s)	Share of TEI
Interface Council Areas	0	0.0%	\$0	0.0%
Non-Interface Metropolitan Council Areas	7	70.0%	\$144,539	79.1%
Regional Council Areas	1	10.0%	\$11,735	6.4%
State-wide / unallocated / location non-specific	2	20.0%	\$26,500	14.5%
Total	10	100.0%	\$182,774	100.0%

Source: Victorian Budget Papers 2015/16

Notes: Non-Interface Metropolitan Melbourne infrastructure funding includes capital allocations for major State assets such as the State Library of Victoria, Melbourne Arts Centre, Royal Exhibition Building and Melbourne Exhibition Centre.

Funded Interface Projects

New funding

Nil

Existing funding

Nil

15 ROADS FUNDING SCORECARD

Table 15.1: Roads Funding Scorecard

	Projects	Share of Total	TEI (000s)	Share of TEI
Interface Council Areas	7	15.6%	\$157,804	2.5%
Non-Interface Metropolitan Council Areas	9	20.0%	\$1,049,187	16.3%
Regional Council Areas	16	35.6%	\$1,674,897	26.1%
State-wide / unallocated / location non-specific	13	28.9%	\$3,538,151	55.1%
Total	45	100.0%	\$6,420,039	100.0%

Source: Victorian Budget Papers 2015/16

Funded Interface Projects

New funding

- Thompsons Road duplication, *planning and early works* TEI: \$20.5 million
- Yan Yean Road duplication, Plenty TEI: \$0.9 million

Existing funding

- Sneydes Road Interchange (Point Cook) TEI: \$44.8 million
- Kilmore Wallan bypass (Kilmore) TEI: \$13.4 million
- Koo Wee Rup bypass (Boo Wee Rup) TEI: \$66.0 million
- Cardinia Road upgrade (Cardinia) TEI: \$18.5 million

16 PUBLIC TRANSPORT FUNDING SCORECARD (RAIL AND BUS)

Table 16.1: Public Transport Scorecard

	Projects	Share of Total	TEI (000s)	Share of TEI
Interface Council Areas	2	5.6%	\$192,500	1.1%
Non-Interface Metropolitan Council Areas	14	38.9%	\$11,877,256	67.1%
Regional Council Areas	5	13.9%	\$894,893	5.1%
State-wide / unallocated / location non-specific	15	41.7%	\$4,740,025	26.8%
Total	36	100.0%	\$17,704,674	100.0%

Source: Victorian Budget Papers 2015/16

Notes:

Funding of \$10 billion is allocated for Melbourne Metro Rail based on the mid-point of the TEI range

Funded Interface Projects

New funding

- Mernda Rail Link project development (Mernda) (e) TEI: \$9.0 million

Existing funding

- New stations in growth areas (metro various) TEI: \$183.5 million

17 PUBLIC LIBRARIES FUNDING SCORECARD

Living Libraries Infrastructure Program 2014 – Department of Transport, Planning and Local Infrastructure (DTPLI)

The Living Libraries Infrastructure 2014 Program provided grants of up to \$750,000, providing the following co-contributions were met:

- Libraries for Metropolitan Communities
 - DTPLI \$1 : \$1 Local (all metropolitan councils)
- Libraries for Interface Councils
 - DTPLI \$1.5 : \$1 Local (Cardinia, Casey, Hume, Melton, Mornington Peninsula, Nillumbik, Whittlesea, Wyndham, Yarra Ranges)
- Libraries for Regional Cities
 - DTPLI \$2 : \$1 Local (Ballarat, Bendigo, Geelong, Horsham, Latrobe, Mildura, Shepparton, Wangaratta, Warrnambool, Wodonga)
- Libraries for Regional and Rural Councils
 - DTPLI \$3 : \$1 Local (remaining regional and rural councils – includes Mitchell)

The Living Libraries Infrastructure Program 2014 – Successful Grant Recipients

The Living Libraries Infrastructure Program 2014 delivered \$800,000 to Interface Councils (2 projects) out of a grant pool of \$1,460,000, which represented 55% of funding, with the remaining funding split between Non-Interface Metropolitan areas (\$188,000 or 13% of funding) and Regional Victoria (\$472,000 or 32% of funding).

Interface recipients were:

- | | |
|--|-----------|
| • Wyndham Library Service | \$750,000 |
| • Melton Library and Information Service | \$50,000 |

18 COUNCIL SCORECARD

Table 18.1: Interface Councils – Local Government Area Scorecard

	No. of Projects	TEI (000s)	Share of Interface Projects	Share of Interface TEI
Cardinia (C)	19	\$89,389	12%	10%
Casey (C)	13	\$135,355	8%	15%
Hume (C)	26	\$43,614	16%	5%
Melton (C)	17	\$107	11%	0%
Mitchell (S)	6	\$20,017	4%	2%
Mornington Peninsula (S)	8	\$5,748	5%	1%
Nillumbik (S)	8	\$6,732	5%	1%
Whittlesea (C)	14	\$57,282	9%	6%
Wyndam (C)	16	\$238,334	10%	26%
Yarra Ranges (S)	28	\$37,450	18%	4%
New stations in growth areas (metro various)	1	\$183,500	1%	20%
Land acquisitions – Taylors Hill West, Davis Creek, Edgars Creek, Gum Scrub Creek (various)	1	\$39,700	1%	4%
Technical schools program (Casey, Wyndham, Yarra Ranges and Whittlesea)	1	\$3,200	1%	0%
Interface Councils Infrastructure Fund	1	\$50,000	1%	5%
Total	159	\$910,430	100%	100%

Source: Victorian Budget Papers 2015/16

19 KEY FINDINGS AND CONCLUSIONS

State Budget 2014/15 Funding Overview

1. Interface Council areas have been allocated \$910 million (over 4 years) in Total Estimated Investment (TEI) from the 2015/16 State Budget (and other grants programs) 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.
2. The largest proportion of investment over the four-year period is focused on health (\$280 million or 33% of TEI), associated with new and ongoing hospital projects.
3. The next largest infrastructure investment is for public transport (\$193 million or 21% of TEI), mainly associated with ongoing station projects.
4. Primary and secondary schools have been allocated \$176 million (or 19% of TEI) over the forward estimates, which includes proposed land purchases in Interface Council areas.
5. Roads funding of \$157 million over four years has been allocated (17% of TEI) associated with new and ongoing road projects.
6. New funding of \$50 million has been allocated for an Interface Councils Infrastructure Fund (5% of TEI), which will assist in the development of multipurpose facilities, community centres, playgrounds or other spaces needed by the community .
7. Justice has been allocated \$42 million (or 5% of TEI) over the forward estimates
8. Early childhood / kindergarten investment (\$3 million) and Libraries (\$1 million) have received small allocations through the Children's Facilities Capital Program (2014/15) and Living Libraries Infrastructure Program (2014) respectively.
9. For the third consecutive budget, no investment has been made in arts and cultural facilities in Interface Council areas.

Funding for Critical Infrastructure

10. Over the current 4-year budget period an estimated \$1,830 million in investment is required for critical infrastructure (ie early childhood/kindergartens, schools, further education, health and public transport) in Interface Council areas (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.

11. State funding allocated in the 2015/16 budget over a 4-years period represents approximately \$910 million or 50% of this requirement; therefore, a further \$920 million in investment is required from the private sector, Federal Government, Councils or through unallocated State Budget funding, including:
 - \$575 million allocation to build or upgrade roads across the State
 - \$350 million allocated to the TAFE sector, including the TAFE Rescue Fund which to assist with the reopening of closed campuses
 - \$100 million bus package to fund new bus services across the State
 - \$50 million in capital funding for Early Learning Centres (including kindergartens, child and maternal health services and occasional care)
 - \$5 million allocated through an expanded Living Libraries Infrastructure Program
12. In this 4-year budget cycle, only health is adequately funded (although this needs to be balanced against under-investment in previous budgets), with all other areas of critical infrastructure significantly under-funded over the current budget period.
13. If the estimated funding investment gap of \$920 million is not closed over the 4-year period, this would potentially lead to a significant under-supply (or lag in provision) in local facilities and services such as schools, kindergartens etc, as well as in infrastructure required to increase capacity to support higher levels of public transport usage by Interface residents.
14. The estimated \$920 million shortfall in the 2015/16 budget compares to estimated shortfalls of \$810 million in the 2014/15 budget, \$895 million in 2013/14, and \$955 million in 2012/13 for these specific infrastructure items.

Funding Equity

15. Interface Council areas accommodate approximately 25% of Victoria's population and 33% of Metropolitan Melbourne's population (ABS Estimated Resident Population, June 2014 provisional). Over the past decade, 2004 to 2014, Interface Council areas have been responsible for accommodating 45% of all State population growth and 52% of all Metropolitan Melbourne population growth.
16. In the most recent 5-year period (2009-2014), population growth in Interface Council areas (+3.2% pa) has far outstripped population growth in non-Interface Metropolitan Council areas (+1.3% pa) and Regional Council areas (+0.6% pa).
17. Overall, Interface Council areas do not receive State funding in proportion to their share of total population numbers or their share of population growth.

18. However, the 2015/16 Budget allocated 33% of new funding to Interface Council areas, which marks a significant improvement on the 17% share of new funding allocated in the 2014/15 budget, and the 10% share of new funding allocated in the 2013/14 budget.
19. When new and existing funding is considered over the forward estimates, Interface Council areas received just 5% of total allocated investment for key infrastructure items, and this compares to 77% funding for Non-Interface Metropolitan Melbourne Council areas and 19% funding for Regional Council areas.
20. Interface Council areas were allocated 34% of primary school funding, 25% of special education funding, 22% of secondary school funding and 16% of early childhood / kindergarten funding (refers to 2014/15).
21. 13% of allocated State health funding was directed towards Interface Council areas (up from 5% in the 2014/15 Budget), and this contrasts with 59% of funding for Non-Interface Metropolitan Council areas and 29% for Regional Council areas.
22. Interface Council areas also received relatively small shares of allocated State justice funding (24%), roads funding (6%), and public transport funding (1.5%).

Interface Economic Development and Investment and Output Trends

Employment

23. The unemployment rate in Interface Council areas was 7.1% as of December 2014. This is higher than rates for both Non-Interface Metropolitan Council areas (6.5%) and Regional Council areas (6.3%). As of December 2014, 35% of all unemployed persons in Metropolitan Melbourne (approximately 55,000 persons) were labour force participants from Interface Council areas, which is higher than the 32% labour force contribution these areas make to Metropolitan Melbourne's overall labour force.
24. 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 Council areas continue to provide approximately 1 job per workforce participant, while job provision in Regional 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. Note that this information is only updated every 5 years through the ABS Census.

Investment

25. In 2014, Interface Council areas secured 25% of all new building investment across the State (down from 30% in 2011) which equates to \$5.1 billion in new investment (down from \$5.4 billion in 2011) over the year. The 2014 figure represents an expansion in new building investment of approximately +\$1.69 billion (or +46%) over the 12 months, which is similar to the uplifts experienced in Non-Interface Metropolitan Council areas (+45%), but lower than for the Regional Council areas (+66%) over the year.

26. 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. In this regard an assessment of the longer-term trend is more useful. Four-year investment trends for Interface Council areas show a decline in new building investment from \$5.4 billion in 2011 to \$5.1 billion in 2014, which equates to a -9% contraction over the period. This is in contrast to investment expansion observed for Non-Interface Metropolitan Council areas (+20%) and Regional Council areas (+22%) between 2011-2014.
27. The main focus of investment in Interface Council areas in 2014 remains domestic dwelling construction (\$4.1 billion or 79% of all investment), which represents an increase of +\$1.58 billion (or +63%) over the 12 months. Over the same period the Interface's share of state-wide domestic investment remained constant at 35%.
28. In 2014 Interface Council areas again secured a very small proportion of new building investment in hospital/healthcare (5%, down from 14% in 2013); while the proportion of investment in new public buildings was stable (32% in 2014 compared to 33% in 2013). The four-year trend for these key areas of community infrastructure investment shows Interface Council areas securing 10% of hospital/healthcare building investment (compared to 64% for Non-Interface Council areas and 27% for Regional Council areas) and 26% of public building investment over the period (compared to 50% for Non-Interface Council areas and 25% for Regional Council areas).
29. Between 2013 and 2014, Interface Council areas recorded a decrease in both commercial building investment (from \$344 million to \$326 million) and industrial building investment (from \$110 million to \$83 million), but a small increase in retail building investment (from \$186 million to \$212 million). Note, all values are expressed in current prices, unadjusted for inflation.
30. The four-year trend for these sectors shows Interface Council areas securing 21% of commercial building investment (compared to 65% for Non-Interface Council areas and 14% for Regional Council areas), 23% of industrial building investment (compared to 42% for Non-Interface Council areas and 35% for Regional Council areas) and 29% of retail building investment (compared to 54% for Non-Interface Council areas and 17% for Regional Council areas).

Economic Output

31. Economic output data for 2013/14, 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 \$47 billion (or 14%) to Victoria's GSP of (\$333 billion) for the 2013/14 financial year.
32. The Interface Council areas proportional contribution to Victoria's GSP (14%) has only marginally improved since 2010/11 (when the proportion was 13%), and remains well below GSP contributions from Non-Interface Metropolitan Council areas (67%) and Regional Council areas (approximately 20%).

33. This data highlights the fact that many Interface labour force participants are involved in economic generating activities outside the Interface (predominantly in other metropolitan areas), as Interface Council areas contribute 25% of the total State labour force, but only generate 14% of Victoria's GSP (as noted above).
34. Non-Interface Metropolitan Council areas provide 52% of total State labour force and generate 67% of Victoria's GSP, while Regional Council areas provide 22% of the State's total labour force and generate 20% of Victoria's GSP.

Conclusions

35. The 2015/16 Interface Scorecard confirms ongoing under-funding for critical infrastructure in Interface Council areas. While health funding received a boost in this 4-year budget cycle, significant infrastructure underfunding remains in the areas of public transport, roads and schools. However, in proportional terms new allocated funding to Interface Council areas was significantly higher than in previous years (eg 33% compared to 17% in 2014/15), and a range of unallocated Budget funds (eg TAFE, bus services, early childhood learning) provide further opportunities for Interface Council areas to secure additional new infrastructure funding.
36. The impact of long-term underfunding for critical infrastructure is highlighted by economic indicators which show high unemployment rates, low levels of non-domestic building investment (commercial, industrial, hospital/healthcare, public buildings etc), and low economic output (GSP) are entrenched in Interface Council areas.