

Growing local jobs for regional recovery - a secure future for Melbourne's east

Priorities for Government collaboration - 2022



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Indigenous acknowledgement

The ERG recognises the traditional custodians of the land we call the eastern region. We acknowledge their rich cultural heritage and spiritual connection to the land. We pay our respects to their Elders past, present and emerging and value their ongoing contribution to the cultural heritage of the region.

Melbourne's east

The eastern region - one of Melbourne's most diverse, productive and dynamic regions - is home to almost 20% of Melbourne's population. It has been hard hit by the global pandemic, June 2021 storms and strong economic headwinds. Australia's headline inflation jumped 6.1% in the year to June 2022 - the highest increase in more than 20 years, largely driven by supply-side factors, including supply chain disruptions, labour shortages and rising input costs.

In the year to June 2021, the region's population dropped 2.2% or 20,866 people to 924,028. Australian Bureau of Statistics (ABS) labour force participation figures show rates of unemployment increased faster in the outer east than for most of Victoria. Growing local jobs will boost regional recovery and assure a secure future for the region.

Population decline in the region is more than double that of Greater Melbourne - and for Monash, the decline was triple (3.35%). While improving, unemployment/labour force participation drops of 2.8% in Yarra Ranges and 2.7% Knox put these LGAs among the top 10 unemployment rate increases in Victoria at the pandemic peak. Skills shortages were exacerbated by the loss of our overseas students, impacting business confidence. Many business closures in local centres impacted health and well-being and reduced social participation.

The region

The region is the traditional home of the Wurundjeri Woi wurrung and Bunurong people of the Kulin Nation and stretches from middle and outer ring suburbs of Glen Waverley, Box Hill and Ringwood to townships such as Warrandyte, Yarra Junction and Olinda in the Yarra Valley and Dandenong Ranges. Today, over 35.9% of residents were born overseas, mainly in China, India, United Kingdom and Malaysia.

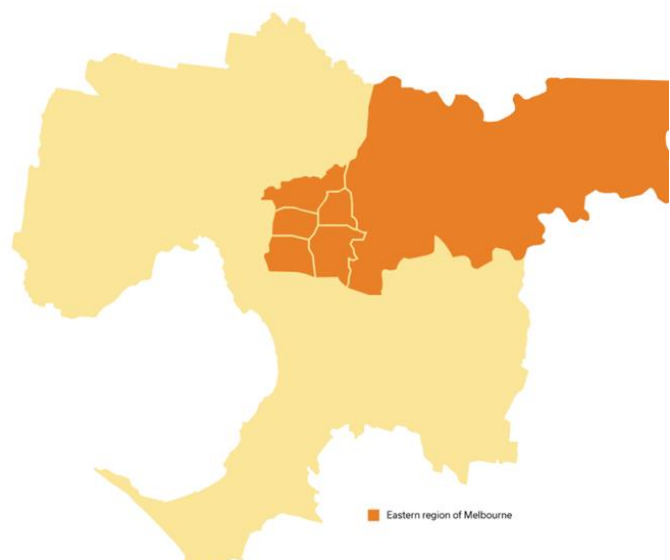
Some 75,000 businesses generate 365,398 jobs across the region, with key hubs in the Monash National Employment and Innovation Cluster (NEIC) and the Bayswater Business Precinct (BBP). These jobs produce an estimated \$129 billion gross revenue (total sales/income) and gross regional product of \$60 billion annually¹. Two-thirds of local jobs are performed by local residents. The eastern region has a significant industry base in advanced manufacturing, wholesale/distribution, health services, education, retail and tourism. While the manufacturing sector is of greatest value, it is not the region's largest employer. The top five employing industries are health care and social assistance; retail trade; education and training; manufacturing; and construction.

As a long-established region with ageing infrastructure and a rapidly ageing population (coupled with a significant decline in the 18-24-year-old tertiary and independent cohort) there is a need to augment services and improve facilities to support contemporary needs, address service gaps, and secure a sustainable and productive regional economy.

Local government works to support and build local communities. The ERG is calling for a strengthened partnership with the State so that services, projects, and capital works better support local communities, grow the regional economy, and sustain our built and natural environments.

The Eastern Region Group (ERG)

The ERG comprises Knox, Manningham, Maroondah, Monash, Whitehorse and Yarra Ranges councils who collaborate on regional priorities through advocacy, integrated planning, shared services and joint procurement. Our vision is for a connected, healthy, sustainable and prosperous region. We work together to make lives better, create better places and deliver better performance across all councils with a strategic focus on Economy, Environment, Communities and Infrastructure.



¹ Remplan - Eastern Metropolitan 2021 R1

Our Economy

The region's economy is significant, providing 17% of Greater Melbourne's jobs and \$60 billion in GRP annually². It offers well-developed infrastructure and access to a highly skilled 330,000-strong workforce. With COVID, unemployment increased, especially in the outer east. Labour force participation is changing and can be limited by transport choice.

Inflationary pressures, although lower in Victoria than for Queensland and Australia, are expected to continue through 2023³, amplifying the pre-pandemic challenges facing advanced economies. In 2019, global growth fell to 2.9% - the worst since the global financial crisis - and little improvement was expected due to low inflation, low interest rates, uncertainty around the Ukraine, US-China relations, Brexit and weak demand triggering a negative trade feedback loop⁴. Underemployment increasingly exceeded unemployment, as it has done for nearly 20 years.

Locally, the outer east suffered the second largest year on year fall in the number of people employed (after the Mornington Peninsula) out of all Victorian regions during COVID. This was driven by employment falls across construction; education; health care and social assistance; accommodation and food services. Job growth demand is highest in health care and social services, while the greatest decline is in manufacturing with almost 12,000 fewer jobs (25%) in 2016 compared to 2011, and from 14% to 10% of all jobs in the region in 2021. With this comes a shift away from higher skill, higher paid and higher value creating jobs, to growth in unskilled and often insecure work.

Split across three Federal Government Local Jobs Taskforce areas, the region lacks clarity surrounding the likely regional jobs profile for the east over the next 10 years. For Yarra Ranges and Knox, more job seekers may exhibit labour market disadvantage⁵, with extensive periods of unemployment (12 to 60 months or longer). As at 30 June 2021, councils in the North Eastern Melbourne Employment Region have high levels of longer-term unemployment, however the concentration is highest in the Yarra Ranges LGA⁶.

Leveraging the region's sectoral strengths, and targeted location-based '20-minute neighbourhood' solutions, could support both direct and pathways to employment, and mitigate disadvantaged job seekers in the eastern region.

Challenges

- significant disruption to supply and value chains due to the global pandemic, impacting costs, delay and work opportunities
- access to labour for seasonal, hospitality, retail, medical, aged care and childcare
- retention of skilled and unskilled manufacturing industry labour - Australia's manufacturing self-sufficiency is the lowest of all OECD countries⁷
- poor access to jobs by public transport for many areas
- loss of major employers, such as 300 Glaxo Smith Kline jobs (\$53M) and 800 timber industry jobs
- rising cost of insurance, particularly for businesses impacted by repeat natural disasters
- loss of overseas students who pay rent, spend money locally and work in hard to fill unskilled jobs
- telecommunications black spots directly impacting businesses and working from home capability
- locational advantages (access to universities, transport infrastructure, skilled and innovative workforce) do not align with prevailing trends (decline in value-adding manufacturing jobs, labour force participation, ageing)
- extent and breadth of career pathway options in the region that support key sectors.



² <https://login.remplan.com.au/economy/>

³ CEDA - Headline inflation hits 6.1 per cent in the year to June

⁴ CEDA - The Australian economy needs a spark

⁵ Defined as jobactive caseload who are Culturally and Linguistically Diverse (CALD), Mature Age (over 50), people with disability, Youth and Parents

⁶ North East Melbourne Local Jobs Plan <https://www.dese.gov.au/local-jobs-program/resources/north-eastern-melbourne-local-jobs-plan>

⁷ A Fair Share for Australian Manufacturing - The Australia Institute

Regional priorities



Joint Priority Precinct Investment Plans

Comprehensive plans are needed to support longer-term investment in the Monash NEIC, metropolitan activity centres (Box Hill, Ringwood), the BBP and elevate Lilydale. This will consolidate and build their economic contribution and leverage major infrastructure investment.

Joint State-Local Priority Precinct Plans would address long standing issues:

- identify and leverage sectoral strengths and build local supply chains (EV, MedTech, mRNA, Advanced Manufacturing.)
- create hubs to nurture industry and government connections
- improve access limiting potential job growth (e.g. Monash NEIC)
- establish transit options that better align with business needs (i.e. start/finish times, frequency)
- address barriers, such as accommodation for key and seasonal workers

20-minute neighbourhoods

At a day to day level, 20-minute neighbourhoods enable most people to meet most of their daily needs within a 20-minute walk or cycle from home. Communities are healthier and more sustainable, and enjoy a network of local services and amenities closer to home.

With DELWP funded pilot programs in the eastern region, ERG councils are ready to collaborate with government to identify interventions to address gaps and build effective networks of 20-minute neighbourhoods for more people.

A coordinated approach will enhance the region's liveability - with flow on economic benefits by localising skills/jobs, investment and development opportunities.

Local skills for regional workforce shortages

Melbourne's east is split across three national employment regions. This means understanding the region's needs and funded strategies to remedy job losses and create local job pathways may not engage industry, government and academia effectively.

The ERG supports the North East Local Jobs Employment

Region Aged Care task force, as one intervention to address workforce shortages, but many other sectors also face this challenge. Local initiatives such as Yarra Ranges Council's Region of Choice⁸ campaign could be expanded, with support, to enable:

- employers to be engaged and linked to job seekers, service providers and training organisations
- a more effective jobs and future skills system
- a focus on highest-value sectors, to redefine and strengthen the region's manufacturing capabilities
- strengthen pipeline from education to employment
- co-working clusters⁹ to support remote working, new micro businesses and small to medium sized enterprises.

Circular economy

Opportunities have been identified for councils¹⁰ to leverage circular economy initiatives, grow the market for recycled products and localise supply chains. Through programs such as ASPIRE¹¹, councils support businesses to access and exchange resources that would otherwise be discarded. New waste and resource recovery strategies are being developed in line with the Recycling Victoria legislation. ***A review of state planning policies and guidelines, and support to businesses to incorporate circular economy approaches is required.***

Continuation of COVID funding for business support and activation

A lifeline for many businesses during COVID, councils' capacity to continue is limited without funding support as previously provided. ***The ERG supports the MAV's calls for this funding to continue.***

Sub-regional priorities

Lilydale Bypass

Department of Transport (DoT) to complete Lilydale traffic improvements to support regional tourism and employment.

The last mile - Roads for Agribusiness

Fund sealing of roads, targeting the 'the last mile' to reach key producers, boost productivity, enhance safety and support local tourism and residents.

⁸ [Introducing Region of Choice Yarra Ranges Council](#)

⁹ In 2018, 20,000 micro and 33,000 home based businesses in eastern region with demand 30,000sqm for coworking space (currently 11,500sqm) (2022).

¹⁰ <https://eaga.com.au/projects/recycled-content-in-council-buildings-and-infrastructure/>

¹¹ Finalist CE Innovation category 2022 Premier's Sustainability Awards

Our Communities

Access to housing, services and infrastructure helps to address disadvantage and build social cohesion. Adolescence and early adulthood are formative periods in a person's life. For young people struggling with their mental health, early intervention and support can help them get their lives on track. The care economy is one of the region's major employers and suffers from workforce and skills shortages.

We want to achieve more resilient and cohesive communities that enjoy better health and wellbeing, with easy access to the services they need.

COVID has impacted communities across the region and slowed the rate of population growth, increased ageing and reduced the number of residents between 18-24 years of age. The past few years have put pressure on individuals' mental health; the health service system; community participation, particularly for disadvantaged groups; and access to services. Eastern region councils have strengthened their commitment to gender equality, inclusion and reconciliation over the past 12 months, working together to meet new legislative and regulatory requirements and explore regional opportunities.

In 2021, the eastern region had a lower proportion of children (under 18 years of age) and a higher proportion of persons aged 60 years or older than Greater Melbourne.

The ERG supports the 13-member Council Homelessness and Social Housing Charter Group and the Eastern Affordable Housing Alliance (EAHA). The social and affordable housing system is under extreme stress, and housing affordability at an all-time low.

In the eastern region, more than 16,000 people sought assistance from Specialist Homelessness Services in 2020/21. The best way to help end homelessness is to provide more low income housing for people who need a home. EAHA has identified that the gap in social and affordable housing is at least 9400 dwellings - catering to only 50% of low income household demand. This is expected to grow to 11,800 dwellings in 10 years. Over the decade, the number of affordable lettings has decreased by 25% despite a strong cost benefit ratio (2:1) when investing in social housing.

The Big Housing Build is welcome; however the current and projected shortfall remains critical, despite the many partnerships underway to deliver social and affordable housing across the region:

- Knox: \$61M for 153 dwellings
- Manningham: \$4M for 8 dwellings
- Maroondah: \$71M for 157 dwellings
- Monash: \$64.5M for 150 dwellings
- Whitehorse: \$100M for 233 dwellings
- Yarra Ranges: \$2.5M for 7 dwellings

Challenges

- access to mental health services due to demand
- access to health and community services due to limited transport connections
- labour force shortages in the care economy
- funding arrangements for councils often lack flexibility
- cost-shifting and rate capping
- meeting the social and affordable housing shortfall to help end homelessness
- planning and forward budgeting for critical social and community infrastructure projects (including libraries and aquatic centres) lacks an ongoing social infrastructure funding stream
- service planning and coordination could make the mental health and health system easier to navigate and present a 'single door' service system.



Regional priorities



Social and affordable housing

EAHA identified the social and affordable housing shortfall for the region as at least 9400 dwellings. To meet forecast demand by 2032 key strategies must deliver an additional 1170 dwellings every year.

Priorities for the region include:

- **a regional affordable housing target:** to deliver the 11,700 new social and affordable homes needed in the eastern region
- **effective planning controls:** to grow supply through mandatory inclusionary zoning, or other new or improved tools and controls
- **affordable rentals:** work with EAHA to find solutions to increase the supply of affordable rental properties
- **develop public land:** work with EAHA to develop public land for affordable housing and a register of land and priority sites
- **thermal comfort and energy efficiency** to reduce operating costs.

This is consistent with ERG calls for federal support to identify under utilised Commonwealth land for development including social housing, a National Housing Strategy to require social housing to be 6% of all occupied housing stock by 2036, and for the creation of youth foyers as transitional housing for young people.

Mental health

- expand headspace services and outreach services to reduce the backlog in demand and long waiting lists, particularly for Monash, Knox (and Lilydale) headspace services
- provide a new headspace at Box Hill and Manningham and a Head to Health Adult Mental Health Centre and Child Mental Health and Wellbeing Hub at the Wantirna Health Precinct
- expand the Youth Mental Health First Aid program to schools across the region and through sports clubs.

Early years

Kindergarten:

- provide 85% funding towards six priority kindergarten infrastructure projects (\$50M)
- support full funding of three-year-old kindergarten (\$70M from 2022-31)

- continue playgroup support so that children with special needs are included (\$120K recurrent)

Maternal and Child Health:

- support MAV calls for a new Memorandum of Understanding to deliver fair and equal funding (50/50) of maternal and child health services and address delivery concerns about workforce, including pathways for midwives into the sector and key age and stage appointments.

Sport and recreation

The Melbourne East Regional Sport & Recreation Strategy provides a blueprint for collaboration for the next decade. Pressure on existing sport and recreation facilities and open space requires careful planning and investment in regional infrastructure to support active and healthy lives.

Priorities for the region are:

- a balanced network of regional sport and recreation facilities
- a collaborative approach to regional planning, policy development and advocacy
- knowing and understanding the region
- shared resources and support for regional sport and recreation.



Sub-regional priorities

Reconciliation

- support regional activities and resources to build cultural awareness and inclusion, and more effective engagement with Traditional Owners

Culture and wellbeing

- support infrastructure improvements at Karralyka Centre, the Monash Library and civic hub, and Community Wellbeing Hubs.

Our Environment

Globally there is significant concern about the future of the planet and the need to address climate change. Resource conservation and climate action can help accelerate economic recovery and enhance social equity, as well as create new industries and employment opportunities. Access to clean air, water and to nature are central to health and wellbeing.

We want to be a region known for environmental stewardship and responses to sustainability.

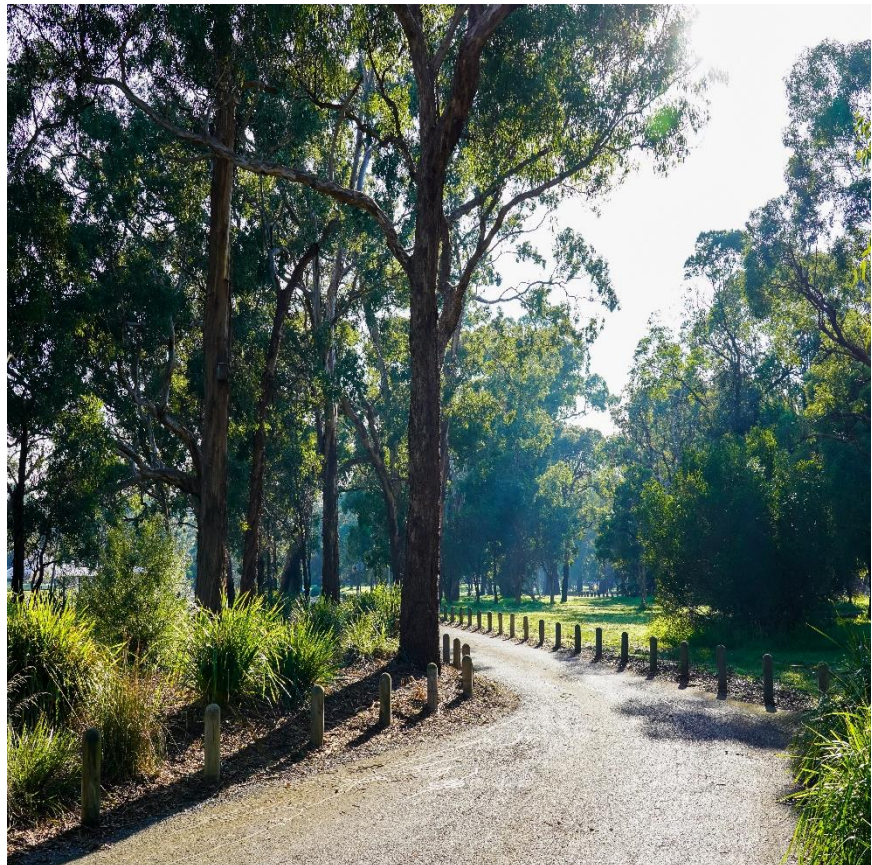
Through sustained advocacy by Eastern Alliance for Greenhouse Action (EAGA), Victoria's other greenhouse alliances and energy advocates, the Federal Government will revise the National Electricity Objective (NEO) to include emissions reductions. This is a significant shift that will consider environmental factors alongside economic considerations, which will assist regional emissions reduction objectives through decarbonisation of the grid.

EAGA is now working closely with Victoria's other greenhouse alliances, CASBE¹² and the MAV to strengthen the consideration of climate risk in development. Planning decisions made today will be locked in for years to come, and more than half of Australia's 2050 building stock will be constructed over the next 30 years.

Transformational change is required to increase the resilience of the built environment and reduce carbon emissions. The disconnect between high level policy positions on tackling climate change - zero net emissions by 2030 - and day-to-day planning decisions needs to be addressed.

Challenges

- urgent need to implement climate change mitigation and adaptation projects
- capacity of councils, businesses and communities to adapt and achieve sustainable, low carbon communities at local, state and federal government levels
- forging new partnerships to secure resources for projects
- supply chain issues impacting solar roll-out and other regional programs
- responsiveness of the State to progress Environmental Sustainable Design (ESD) and climate resilience through planning and building systems
- tree canopy loss in this region is faster than for greater Melbourne
- more frequent and severe weather events, including storms and heatwaves
- need for more renewable energy to electrify transport.



¹² Council Alliance for a Sustainable Built Environment

Regional priorities

Planning for a safe climate

EAGA brings significant technical skills and a longstanding commitment to driving practical, cost effective measures to reduce emissions across the region, Victoria and nationally. The ERG works closely with EAGA to support its work with CASBE and alliances state-wide to improve planning for climate change.



Priorities include:

- amend the Planning and Environment Act and the Climate Change Act to explicitly address climate change at all levels of the planning process
- require every planning scheme amendment to include an assessment against relevant climate change considerations
- introduce mandatory minimum climate change standards into the planning scheme
- adopt science-based targets for high level policy and align the planning system to the most up to date climate science.

Support business to transition to 100% renewable energy

Many mid-sized businesses in the region want to meet sustainability targets, lower energy costs and have more electricity price certainty so they can maintain jobs and grow their businesses. They will benefit from stable electricity prices and lower costs through aggregation of demand and this will accelerate renewables and deliver climate change targets.

Priorities for the region include:

- seed funding to facilitate a renewable Power Purchase Agreement (PPA) aggregator for mid-sized electricity users to support them through the procurement

process. These businesses lack the scale, skills and capability to contract their own PPA (\$700K).

Resilient local networks

- investigate and pilot micro-grids and community battery solutions for areas most exposed to major storm events
- coordinate the roll-out of EV charging infrastructure to fast track the electrification of the region's light vehicles.

Greening and cooling

- funding to support strategies and planting to deliver the State's objective of a 30% increase in tree canopy
- integrate cooling and greening objectives into priority precinct plans.

Sub-regional priorities

Greening the Greyfields

- fund a demonstration project to support cooler, more sustainable '20-minute neighbourhood' objectives. A regional example is *Greening the Greyfields* - an award-winning pilot led by Maroondah City Council with Swinburne University that has identified how planning and facilitation can optimise and support more considered redevelopment of existing areas.



Our Infrastructure

COVID restrictions have changed the way we work and move around. Transport connections, essential for active local centres and '20-minute neighbourhoods', have not kept pace and across the region many people lack equitable access to jobs and services. While major transport investments, such as the Suburban Rail Loop are planned - without greater local input, transit and place-making, outcomes will be sub-optimal.

We want our buildings and infrastructure to promote social cohesion and equality of opportunity in a region that is easy to get around and where active or public transport is preferred for short distances.

The Eastern Transport Coalition (ETC) with the DoT has led a regional bus service network review; prioritised pedestrian crossing improvements to improve public safety across the region; and forged partnerships to address long-term issues - such as the Monash University and Vicinity Centres' business case for the Caulfield - Rowville Trackless Tram.

A once in a generation opportunity

There are significant major infrastructure projects underway in the eastern region. These include the \$15.6B North East Link (NEL) to connect the Metropolitan Ring Road to the Eastern Freeway at Bulleen Road; level crossing removals along the Belgrave and Lilydale railway lines; and the Suburban Rail Loop (SRL) that will connect with major passenger railway lines. Other projects and initiatives under Victoria's Big Build are also underway. While these major transport initiatives are welcome, many opportunities to address long-standing issues, demonstrate world-leading zero carbon, sustainable infrastructure and create value may be missed, including:

- **Doncaster Park'n'Ride:** rather than simply replace 400 at grade car parks impacted by North East Link, the site could provide this car parking *and* be developed for transit oriented mixed use.
- **Box Hill bus interchange:** the SRL could take a place-making approach to address poor connectivity between the existing underground station and elevated bus interchange, rather than locate the new station to the west without improving existing connectivity.
- **Glen Waverley Station:** putting Glen Waverley Station underground would provide an opportunity to directly connect the SRL with Glen Waverley Station, reduce construction and ongoing impacts on local businesses, and create value.



Doncaster opportunity for value capture and improved local services

Challenges

- cost escalations and access to labour and materials impact project delivery
- multi-modal connections at train stations do not leverage the region's strong road connections and bus network
- poor east-west and north-south links, high car dependency and private vehicle use¹³
- poor connectivity and service gaps reduce access to jobs and services, particularly for young people and those without access to a car
- disruption to local communities and businesses from the Level Crossing Removal Project (LXRP), NEL and SRL.

¹³ BBP Transport Survey 2020 identified 27,000 cars and 30,000 people who travel to BBP each day. 36% would consider using PT if a direct, frequent reliable service was available, saving GHG of 7Mt pa

Regional priorities



The Eastern Transport Coalition (ETC) brings together specialist transport planners with government and elected representatives across the eastern region and beyond. They offer a highly localised, evidence-based set of regional priorities across road, rail, bus, and tram networks to reduce car dependency, and improve environmental, health and accessibility outcomes. As well as realising value from major projects and building network capacity, priorities for the region include:

- **Bus network review:** implement the bus network review throughout the east to upgrade bus routes and services
- **Pedestrian safety:** improve priority pedestrian crossings in high trafficked neighbourhood centres
- **Trackless tram:** State and federal government to progress the business case assessment for the Caulfield-Monash-Rowville trackless rapid transit proposal.



Create and realise value from major projects

Suburban Rail Loop

- improved integration with Box Hill Station and bus interchange and to reduce impacts on cycling corridors, heritage buildings and Box Hill Gardens
- put Glen Waverley Station underground to create value and minimise impacts on business
- create an underground connection at Burwood for Deakin University student and staff safety
- integrate and enhance the cycling corridor.

North East Link

- upgrade bus services and infrastructure along the Eastern Freeway (BRT)
- develop Doncaster Park'n'Ride.

Build network capacity

- **Duplication of the Lilydale rail line:** the final 4.4km section beyond Mooroolbark Station is a single track

operating at capacity during weekday peak periods, adding to commuter delay and travel times, and restricting the ability to provide much needed extra train services. Duplication will benefit the wider Lilydale/Belgrave lines network and support the construction of the proposed new station at Cavehill

- **Route 75 tram line extension:** Support ETC calls for funding a feasibility and economic study into the alignment and impact of the proposed route extension from Vermont South to Upper Ferntree Gully Station via Burwood Highway and the BBP via Mountain Hwy. The new route will service the Burwood Highway Employment Cluster, Knox Westfield Shopping Centre and Swinburne University while the Mountain Highway extension will improve connection to the Bayswater Business Precinct and the Wantirna Health Precinct.

Sub-regional priorities

Rail network improvements

- Boronia Station redevelopment & multi-deck car park
- Oakleigh Station redevelopment to improve access, road and amenity works (\$1.5M of \$2M).

Melbourne's eastern rail network

- Funding to implement the priorities identified in the Eastern Region Trails Strategy, including:
 - o Box Hill Rail Trail
 - o Main Yarra Trail
 - o Ringwood to Croydon Rail Trail
 - o Waverley Rail Trail
 - o Ferny Creek Trail.

Road network improvements

- The ETC has identified road upgrade priorities across the region to improve travel times for freight, public and active transport, and also address safety concerns for pedestrians and cyclists at key crossing points and intersections (e.g. the 5-ways Intersection in Warrandyte South).

Open space

- Gardiners Creek naturalisation to mitigate NEL impacts
- upgrade the Koonung Creek Trail.

Towards an effective partnership

There are many services ERG councils provide on a daily basis that are under stress, placing increasing demands on councils' budgets due to cost escalation, scope creep and the impacts of years of rate capping.

COVID has driven rapid transformation - digital solutions connected colleagues and communities while services continued online and enabled staff to work remotely. It is a time of economic uncertainty and there are real challenges in attracting and retaining high quality staff. Over the past 12 months, demands have been placed on local government without proper consultation across a number of service areas: building, planning, kindergartens, emergency management, and more. A recent national LGA CEO survey¹⁴ identified digital transformation, community resilience and wellbeing, cost management, risk management and increased cyber-attacks as major short to medium term concerns.

The ERG understands the value of partnership and wants to re-establish and maintain positive and effective working relationships with the State government and critical stakeholders. This requires the State to pay its fair share for valued community services where they have shifted their responsibilities to local government over time.

Exacerbated by COVID-19, the knowledge, respect and understanding across levels of government about how each sector works has reduced, and staff turnover and limited face-to-face work has weakened relationships. Often the state appears unaware of the full impact of changes on local government - as seen in the 4-bin roll-out. Unrealistic deadlines put pressure on both sectors and limit opportunities to consult in a genuine way. This can 'crowd-out' innovation and collaboration towards shared objectives. In a year with both federal and state elections, these tensions increase with perceptions of all levels of government suffering as a result.

Through working with the MAV and State, the ERG is committed to build relationships, celebrate achievements and share challenges to improve the understanding, perceptions and performance of local government and our built, natural and social environments.



Challenges

- cost shifting - unfunded range and/or scope of services and compliance obligations required of local government
- compounding impact of rate capping - the ERG has advocated for the rate cap to reflect real cost, even more important now with rising inflation and interest rates
- recruitment and retention of staff, at a time of record low unemployment
- cost and risk management through shared services/collaboration
- place-based and virtual enhanced customer experience - requiring culture, skills, technology and work processes to align within councils and effective information sharing with the state and key stakeholders
- insufficient time for forward planning and collaboration with State Government.

¹⁴ Davidson Australian Local Government CEO Index 2022

State-wide priorities

Cost and risk shifting

The ERG supports MAV calls for the State Government to provide funding support for community services where the state has shifted its responsibilities, in part or full, to local government over time.

These are often critical services, integral to community health and wellbeing, which should remain either cost neutral to local government or be largely state funded.

Councils do not have the capacity or financial capability to continue to support services that are not core local government business.

School crossing supervision

The ERG supports calls to fully and fairly fund school crossing supervision and not impose costs on ratepayers and residents for a service that is unrelated to core local government functions.

The share of school crossing supervision costs contributed by councils has increased over 50% since 1975, while the proportion contributed by the State Government has almost halved.

- A new operating and funding model for school crossing supervision is required, that recognises the ongoing provision of school crossing supervision as an important part of state education services.

Building compliance

The ERG supports calls to avoid state regulations that transfer responsibility for combustible cladding audits, oversight of Essential Safety Measures and orphaned building permits from the Victorian Building Authority (VBA) to local government without adequate funding to support service delivery and indemnification of risk.

- The VBA is encouraged to use its existing powers to appoint a Manager for any Private Building Surveyor (PBS) business if the PBS's registration is suspended or cancelled
- It also supports opportunities to address labour supply shortages through traineeships with the VBA, local government and private sector.

Rate capping

The ERG supports calls for a review of rate capping arrangements which make it increasingly difficult to continue to provide the same level of services from year to

year, as significant new challenges emerge deserving of Council funding.

Covid recovery

The ERG supports calls for an ongoing COVID-19 economic response package to stimulate the economy and improve employment growth. This includes extending the outdoor dining program for a further three-years, supporting increased visitation and direct business support (payroll tax relief, grants, local jobs and access to technology) which are also consistent with '20-minute neighbourhood' objectives.

State fees and charges

Create greater transparency for ratepayers where local government collects levies for the State - in the eastern region, some \$400 or 20% of the average rate notice is to collect fire service and landfill levies.

Maintenance of State Government transport assets and graffiti removal

The ERG supports calls for increased and ongoing funding for the DoT and VicTrack to maintain their arterial roads, freeways and rail and tram corridors (including weed and vegetation management, litter pickup and graffiti removal).

Metropolitan councils¹⁵ spend 15c of every \$100 of income on cleaning-up and preventing graffiti and tagging. Data from 11 councils shows outlays of \$8.21M on graffiti removal and prevention in two years, while, in the same period, DoT spent just \$1.1M on graffiti and rubbish removal.

State roads and assets are often impacted and lack a rapid clean-up response necessary to change behaviour, and improve perceptions of safety.

- There is a need to establish an indexed full cost recovery model for those councils who choose to undertake this maintenance work on behalf of DoT.

Climate emergency - transition to net zero

The ERG supports calls for a National Renewable Energy Target of 100% for 2030; a price on carbon pollution, and to re-establish green corridors, urban forests and threatened ecological communities.

A funding stream to improve climate resilience of ageing infrastructure to extreme weather events is required.

¹⁵ [The Herald Sun](#) 18 May 2022 Councils' spend on graffiti removal & prevention

Melbourne's eastern region. One united voice.

Realm

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