



ESSENTIAL ECONOMICS

Interface Budget Scorecard 2016

Based on 2016/17 Victorian State Budget

FINAL DRAFT REPORT

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Interface Councils Group

By

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1 FUNDING SCORCARD

Key Points

Total Funding

- Interface Council areas have been allocated \$2,540 million (over 4 years) in Total Estimated Investment (TEI) from the 2016/17 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
 - Public library facilities
 - Roads
 - Public transport.
- The \$2,540 Interface allocation (over 4 years) represents a significant increase from previous four-year budget allocations of \$910 million (2015/16), \$1,330 million (2014/15), and \$1,448 million in 2013/14. Note, State spending for priority infrastructure areas (as outlined above) has increased from \$18.7 billion (over four-years) in 2013/14 to \$42.6 billion (over four-years) in 2016/17.
- The largest proportion of allocated investment over the four-year period is focused on public transport (\$1,245 million or 19% of allocated TEI), associated with new projects such as Mernda Rail and Hurstbridge Rail Line duplication projects.
- The next largest allocated infrastructure investment is for roads (\$616 million or 35% of allocated TEI), for new and existing projects. New projects include Thompsons Road duplication, Yan Yean Road duplication and Plenty Road, Mill Park upgrade.
- Primary and secondary schools have been allocated \$347 million (or 27% of allocated TEI) over the forward estimates, which includes new and existing projects and proposed land purchases in Interface Council areas.
- Health has received funding of \$249 million over four years (or 9% of allocated TEI) associated with one new project (Broadmeadows Surgery Centre) and a number of ongoing projects.

- Funding of \$50 million has been allocated for the Growing Suburbs Fund (which replaces the Interface Growth Fund). Note, this allocation (which is the same as for 2015/16) is for 2016/17 only, and will assist in the development of multipurpose facilities, community centres, playgrounds or other spaces needed by the community .
- Justice has been allocated \$19 million (or 11% of allocated TEI) over the forward estimates, which relates to existing projects.
- Early childhood / kindergarten investment (\$3.0 million) and Libraries (\$0.9 million) have received small allocations through the Children’s Facilities Capital Program (2014/15) and Living Libraries Infrastructure Program (2015) respectively.
- For the fourth consecutive budget, no specific investment has been made in arts and cultural facilities in Interface Council areas.

Four-year State Budget (2016/17) 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 2016/17 – Four-Year Budget Cycle Allocation, unless stated (\$'000s).

	Interface Council Areas		Non-Interface Metropolitan Council Areas		Regional Council Areas		Statewide / Unallocated		Victoria	
	Projects	Total Estimated Investment (TEI) ('000s)	Projects	Total Estimated Investment (TEI) ('000s)	Projects	Total Estimated Investment (TEI) ('000s)	Projects	Total Estimated Investment (TEI) ('000s)	Projects	Total Estimated Investment (TEI) ('000s)
Early Childhood / Kindergarten – Annual ⁽¹⁾	104	\$3,014	312	\$4,879	266	\$11,043	-	-	682	\$18,936
Primary School	17	\$73,356	46	\$179,241	25	\$82,887	-	-	88	\$335,484
Secondary School ⁽²⁾	28	\$170,060	55	\$370,887	55	\$263,931	1	\$18,000	139	\$822,878
Special Education	3	\$9,800	8	\$19,700	8	\$35,400	2	\$22,000	21	\$86,900
Further Education	-	-	2	\$23,900	-	-	3	\$395,360	5	\$419,260
Land Acquisition	6	\$103,450	1	\$25,500	1	\$12,750	-	-	8	\$141,700
School Specialist Facilities	-	-	-	-	-	-	2	\$66,000	2	\$66,000
Health	5	\$248,867	22	\$1,651,014	14	\$811,828	28	\$373,768	69	\$3,085,477
Justice	2	\$19,000	2	\$1,160	4	\$148,330	19	\$887,191	27	\$1,055,681
Arts and Culture	-	-	7	\$484,690	3	\$80,260	3	\$29,847	13	\$594,797
Roads ⁽³⁾	9	\$616,452	10	\$1,167,258	13	\$1,728,139	19	\$13,109,875	51	\$16,621,724
Public Transport ⁽⁴⁾	5	\$1,245,343	20	\$4,286,893	14	\$1,182,511	9	\$12,579,708	48	\$19,294,455
Public Libraries Annual ⁽⁵⁾	3	\$904	4	\$223	12	\$2,873	-	-	19	\$4,000
Growing Suburbs Fund	1	\$50,000	-	-	-	-	-	-	1	\$50,000
Total	183	\$2,540,246	489	\$8,215,345	415	\$4,359,952	86	\$27,481,749	1,173	\$42,597,292

Source: Victorian Budget Papers 2016/17

Notes: ⁽¹⁾ Children's Facilities Capital Program (2014/15) - 2015/16 recipients not yet announced.

⁽²⁾ Includes an allocation for new tech schools in Casey, Whittlesea, Wyndham, and Yarra Ranges

⁽³⁾ Funding of the Level Crossing Removal Program is based on the mid-point of the TEI range. Both the Level Crossing Removal Program and the Western Distributor Project are allocated as Statewide projects.

⁽⁴⁾ Funding of Melbourne Metro Rail is based on the mid-point of the TEI range and is allocated as a Statewide project.

⁽⁵⁾ Living Libraries Infrastructure Program 2015 (latest funding round announced).

Figures rounded

2 BUDGET CYCLICAL INTERFACE FUNDING ESTIMATES V ESTIMATED INTERFACE REQUIREMENTS

Key Points

1. Over the current 4-year budget period an estimated \$1,831 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 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 2016/17 budget over a 4-year period represents approximately \$1,914 million for these key infrastructure area, which is above the required four-year requirement (and includes the Growing Suburbs Fund). Note, roads funding is not included as a specific measure in the in the One Melbourne or Two report.
3. Further funding allocations for Interface infrastructure are likely to arise from unallocated statewide funding programs, such as:
 - \$266 million for road safety improvements across the State
 - \$147 million allocated to the TAFE sector, including the TAFE Rescue Fund which to assist with the reopening of closed campuses
 - \$94 million in capital funding for specialist school facilities eg community hubs at schools, doctors in schools, inclusive schools fund, schools pride and sports fund
 - \$20 million allocated to the Railway Station Carparking Fund
 - \$15 million bus package to fund new bus services across the State.
4. In this 4-year budget cycle, schools and public transport are adequately funded (although this needs to be balanced against under-investment in previous budgets); however, areas such as health, further education, justice, early childhood/kindergarten are underfunded resulting in a shortage of required infrastructure if unallocated State funds and/or private sector funding is not secured.
5. The estimated \$83 million ‘surplus’ in the 2016/17 budget compares to estimated shortfalls of \$920 million in 2015/16, \$810 million in the 2014/15, \$895 million in 2013/14, and \$955 million in 2012/13. In effect, the four-year funding allocations announced in the 2016/17 budget enables Interface Council areas to start to ‘close the gap’ in terms of cumulative funding deficits generated over the past few years.

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
Schools (primary, secondary, tech and land acquisitions)	\$346.9m	\$297.4m	+\$49.5m	State/Private	Adequately funded
Further Education	\$0.0m	\$97.1m	-\$97.1m	State	16,370 places/3 TAFE campuses
Health	\$248.9m	\$291.5m	-\$42.6m	State/Private	100 beds/1.3 hospitals
Public Transport	\$1,245.3m	\$1,127.7m	+\$117.6m	State/Federal	Adequately funded
Growing Suburbs Fund	\$50.0m	n/a	n/a	State	n/a
Justice	\$19.0m	n/a	n/a	State/Federal	n/a
Libraries (annual grant allocation)	\$0.9m	n/a	n/a	State/Council	n/a
Total (Critical Infrastructure)	\$1,914.1m	\$1,830.8m	+\$83.2m	-	-
Other (roads, special education)	\$626.1m	n/a	n/a	n/a	n/a

Source: (¹) Victorian Budget Papers 2016/17, Children’s Facilities Capital Program Recipients (2014/15), Living Libraries Infrastructure Program (2015); (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 26% of Victoria's population and 34% of Metropolitan Melbourne's population (ABS Estimated Resident Population, June 2015 provisional). Over the past 5-years, 2010 to 2015, Interface Council areas have been responsible for accommodating 46% of all State population growth and 51% of all Metropolitan Melbourne population growth.
2. In the most recent 5-year period, population growth in Interface Council areas (+3.1% pa) has far outstripped population growth in non-Interface Metropolitan Council areas (+1.4% pa) and Regional Council areas (+0.8% pa).
3. Over recent years, Interface Council areas have not received State funding in proportion to their share of total population numbers or their share of population growth.
4. However, the 2016/17 Budget allocated 49% of new funding to Interface Council areas, which marks a significant improvement on the 33% share of new funding allocated in 2015/16, 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 17% of total allocated investment for key infrastructure items, and this compares to 54% funding for Non-Interface Metropolitan Melbourne Council areas and 29% funding for Regional Council areas.
6. In the 2016/17 Budget, Interface Council areas were allocated 73% of land acquisition funds for schools, 21% of allocated funding for primary and secondary schools, 19% of allocated public transport funding and 18% of allocated roads funding.
7. Just 9% of allocated State health funding was directed towards Interface Council areas (down from 13% in the 2015/16 Budget), and this contrasts with 61% of funding for Non-Interface Metropolitan Council areas and 30% for Regional Council areas.
8. Interface Council areas received a specific \$50 million allocation through the Growing Suburbs Fund to be spent in 2016/17 for community infrastructure projects.

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	181	15.5%	\$2,540,246	6.0%	\$2,540,246	16.8%
Non-Interface Metropolitan Council Areas	489	41.8%	\$8,215,345	19.3%	\$8,215,345	54.4%
Regional Council Areas	415	35.4%	\$4,359,952	10.2%	\$4,359,952	28.8%
State-wide / Unallocated / location non-specific	86	7.3%	\$27,481,749	64.5%	-	-
Total	1,171	100.0%	\$42,597,292	100.0%	\$15,115,543	100.0%

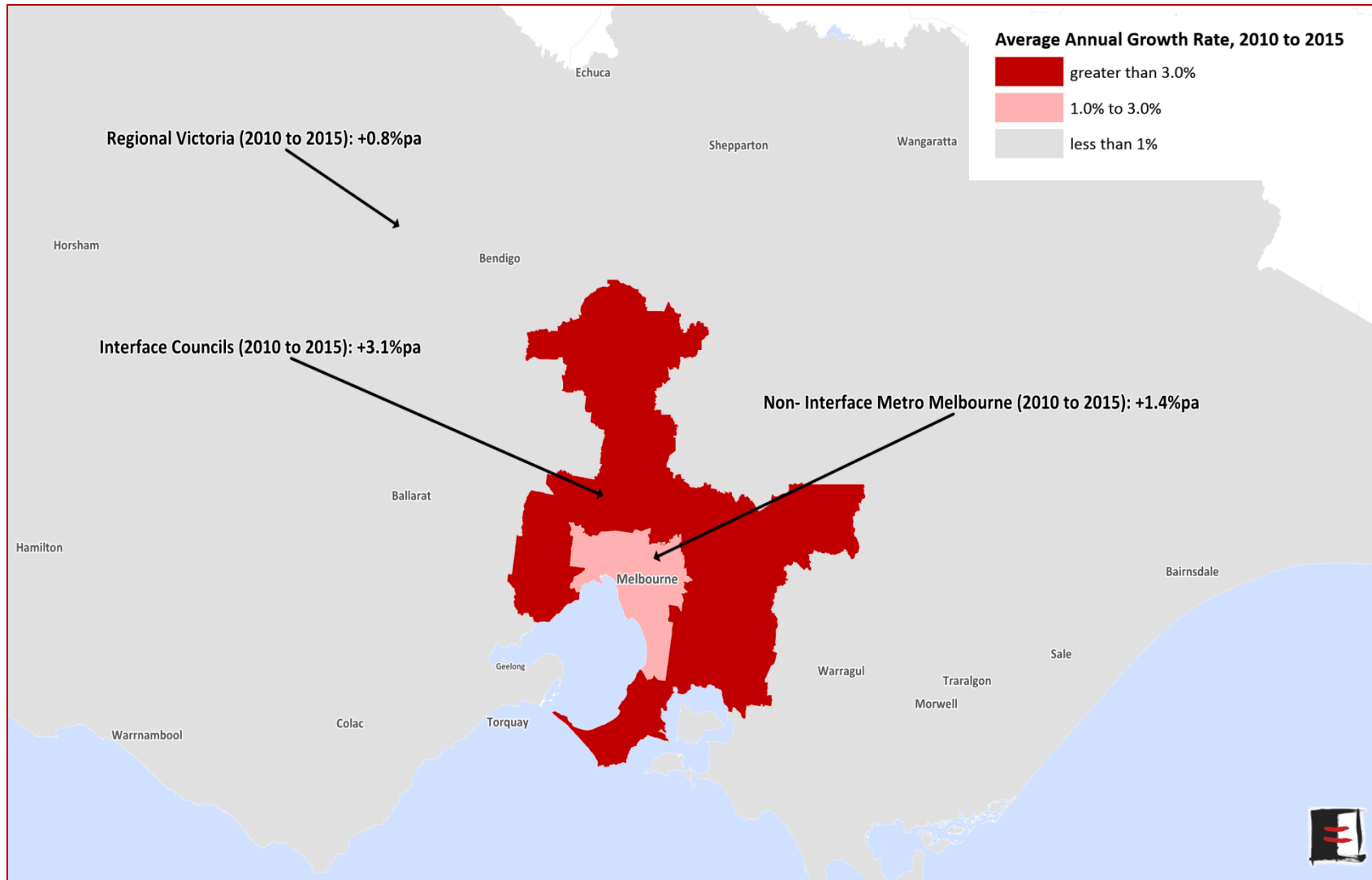
Source: Victorian Budget Papers 2016/17; Living Libraries Infrastructure Program 2015 (latest funding round announced); Children’s Facilities Capital Program (2014/15) - 2015/16 recipients not yet announced.
Figures Rounded

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>	15.2%	15.9%	45.8%	25.8%	39.0%	58.3%	100.0%	100.0%
Primary School	19.3%	21.9%	52.3%	53.4%	28.4%	24.7%	100.0%	100.0%
Secondary School	20.3%	21.1%	39.9%	46.1%	39.9%	32.8%	100.0%	100.0%
Special Education	15.8%	15.1%	42.1%	30.4%	42.1%	54.5%	100.0%	100.0%
Further Education	0.0%	0.0%	100.0%	100.0%	0.0%	0.0%	100.0%	100.0%
Land Acquisition	75.0%	73.0%	12.5%	18.0%	12.5%	9.0%	100.0%	100.0%
School Specialist Facilities	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Health	12.2%	9.2%	53.7%	60.9%	34.1%	29.9%	100.0%	100.0%
Justice	25.0%	11.3%	25.0%	0.7%	50.0%	88.0%	100.0%	100.0%
Arts and Culture	0.0%	0.0%	70.0%	85.8%	30.0%	14.2%	100.0%	100.0%
Roads	28.1%	17.6%	31.3%	33.2%	40.6%	49.2%	100.0%	100.0%
Public Transport	12.8%	18.5%	51.3%	63.8%	35.9%	17.6%	100.0%	100.0%
Public Libraries <u>Annual</u>	15.8%	22.6%	15.8%	5.6%	68.4%	71.8%	100.0%	100.0%
Growing Suburbs Fund	100.0%	100.0%	0.0%	0.0%	0.0%	0.0%	100.0%	100.0%

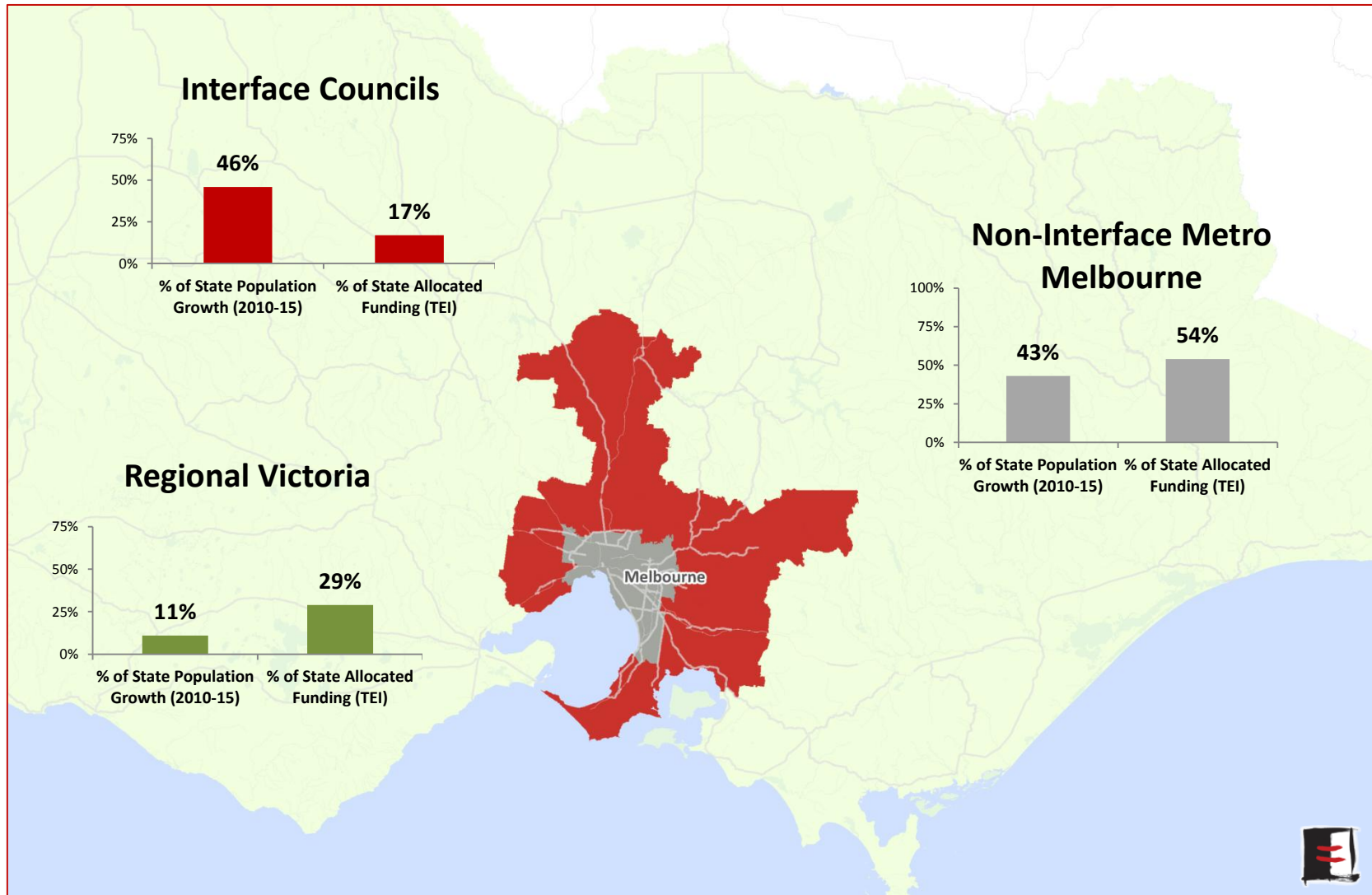
Source: Victorian Budget Papers 2016/17; Living Libraries Infrastructure Program 2015 (latest funding round announced); Children’s Facilities Capital Program (2014/15) - 2015/16 recipients not yet announced.
 Figures rounded

Figure 3.1: Population Growth (Annual Average Growth Rate 2010 to 2015), by Region



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

Figure 3.2: Percentage Share of Population Growth (2010-2015) 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 6.9% as of December 2015. This is significantly higher than rates for both Non-Interface Metropolitan Council areas (5.8%) and Regional Council areas (5.8%). As of December 2015, 36% of all unemployed persons in Metropolitan Melbourne (approximately 55,000 persons) were labour force participants from Interface Council areas, which is higher than the 33% labour force contribution these areas make to Metropolitan Melbourne's overall labour force.
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 2015) ⁽¹⁾	6.9%	5.8%	5.8%
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, 2015) ⁽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 2015, Interface Council areas secured 23% of all new building investment across the State (down from 25% in 2014 and 30% in 2011) which equates to \$6.9 billion in new investment over the year (up from \$5.4 billion in 2011). The 2015 figure represents an expansion in new building investment in the Interface of approximately +\$1.8 billion (or +35%) over the 12 months, which is well below the uplift experienced in Non-Interface Metropolitan Council areas (+60%) but significantly higher than the increase in building activity for Regional Council areas (+15%) 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. Five-year investment trends for Interface Council areas show an increase in new building investment from \$5.4 billion in 2011 to \$6.9 billion in 2015, which equates to a +28% increase in investment over the period. This is in contrast to investment expansion observed for Non-Interface Metropolitan Council areas (+92%) and Regional Council areas (+41%) between 2011-2015.
3. The main focus of investment in Interface Council areas in 2015 remains domestic dwelling construction (\$5.1 billion or 74% of all investment), which represents an increase of +\$1.04 billion (or +26%) over the 12 months. Over the same period the Interface’s share of state-wide domestic dwelling investment fell slightly from 35% in 2014 to 34% on 2015.
4. In 2015 Interface Council areas secured a greater proportion of new State building investment in hospital/healthcare (12%, up from 5% in 2014), while the proportion of State investment in new public buildings declined from 32% in 2014 to 25% in 2015 (although the actual value of building investment increased from \$293 million to \$499 million over the 12-months). The five-year trend for these key areas of community infrastructure investment shows Interface Council areas securing 11% of hospital/healthcare building investment (compared to 57% for Non-Interface Council areas and 33% for Regional Council areas) and 25% of public building investment over the period (compared to 53% for Non-Interface Council areas and 22% for Regional Council areas).
5. Between 2014 and 2015, Interface Council areas recorded increases in commercial building investment (from \$326 million to \$506 million), industrial building investment (from \$83 million to \$140 million), and retail building investment (from \$212 million to \$415 million). The five-year trend for these sectors shows Interface Council areas securing 19% of State commercial building investment (compared to 67% 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 25% of retail building investment (compared to 60% for Non-Interface Council areas and 15% for Regional Council areas).

New building investment data is included in Table 5.1 and Figures 5.1 and 5.2. Note, values expressed in current prices, unadjusted for inflation.

Table 5.1: Economic Development Scorecard – Building Investment

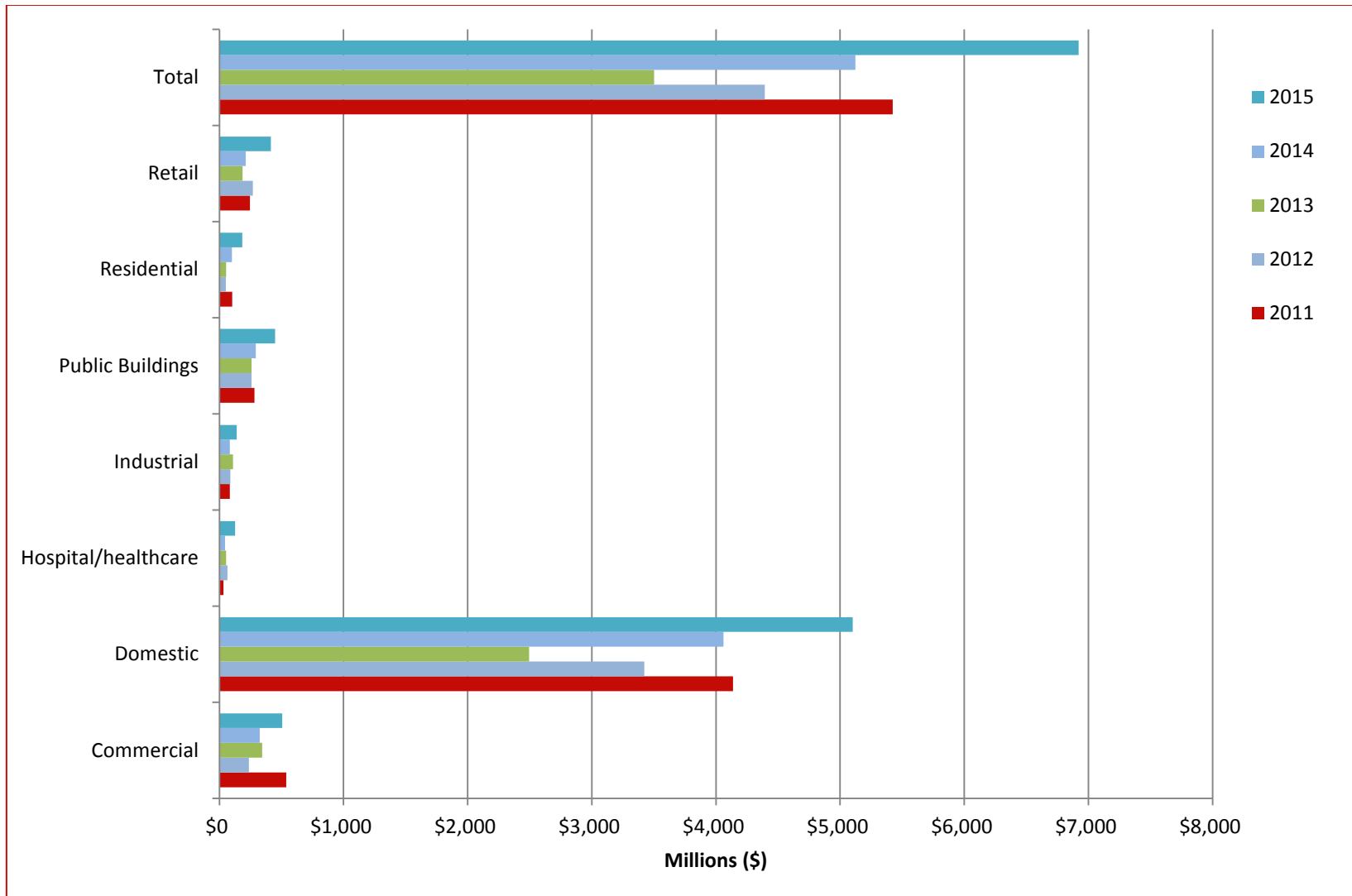
	2011		2012		2013		2014		2015		2011-15	
	Value	Share	Value	Share	Value	Share	Value	Share	Value	Share	Value	Share
Interface Council Areas												
Commercial	\$538m	31%	\$237m	14%	\$344m	21%	\$326m	18%	\$506m	16%	\$1,951m	19%
Domestic	\$4,137m	40%	\$3,423m	36%	\$2,494m	35%	\$4,061m	35%	\$5,101m	34%	\$19,216m	36%
Hospital/healthcare	\$32m	17%	\$65m	13%	\$54m	14%	\$46m	5%	\$126m	12%	\$323m	11%
Industrial	\$85m	23%	\$88m	21%	\$110m	39%	\$83m	16%	\$140m	25%	\$506m	23%
Public Buildings	\$283m	20%	\$259m	23%	\$259m	33%	\$293m	32%	\$449m	25%	\$1,543m	25%
Residential	\$103m	3%	\$53m	2%	\$54m	2%	\$102m	3%	\$185m	3%	\$497m	3%
Retail	\$246m	36%	\$269m	36%	\$186m	24%	\$212m	23%	\$415m	19%	\$1,328m	25%
Total	\$5,424m	30%	\$4,394m	26%	\$3,501m	26%	\$5,123m	25%	\$6,922m	23%	\$25,364m	26%
Non Interface Metropolitan Council Areas												
Commercial	\$972m	56%	\$1,221m	74%	\$1,154m	69%	\$1,110m	62%	\$2,240m	70%	\$6,697m	67%
Domestic	\$3,380m	33%	\$3,313m	35%	\$2,739m	38%	\$4,453m	39%	\$6,485m	43%	\$20,370m	38%
Hospital/healthcare	\$106m	57%	\$311m	62%	\$284m	75%	\$591m	61%	\$442m	44%	\$1,734m	57%
Industrial	\$179m	47%	\$232m	55%	\$117m	41%	\$149m	28%	\$241m	42%	\$918m	42%
Public Buildings	\$804m	56%	\$606m	53%	\$342m	43%	\$374m	41%	\$1,107m	61%	\$3,233m	53%
Residential	\$3,204m	94%	\$2,800m	94%	\$2,297m	88%	\$3,576m	94%	\$5,271m	94%	\$17,148m	93%
Retail	\$332m	49%	\$359m	47%	\$479m	62%	\$525m	56%	\$1,468m	69%	\$3,163m	60%
Total	\$8,977m	49%	\$8,842m	52%	\$7,412	54%	\$10,778m	53%	\$17,254m	59%	\$53,263m	54%
Regional Council Area												
Commercial	\$229m	13%	\$184m	11%	\$163m	10%	\$359m	20%	\$445m	14%	\$1,380m	14%
Domestic	\$2,803m	27%	\$2,731m	29%	\$1,899m	27%	\$3,003m	26%	\$3517m	23%	\$13,953m	26%
Hospital/healthcare	\$47m	25%	\$122m	24%	\$43m	11%	\$334m	34%	\$445m	44%	\$991m	33%
Industrial	\$113m	30%	\$102m	24%	\$59m	21%	\$295m	56%	\$187m	33%	\$756m	35%
Public Buildings	\$348m	24%	\$285m	25%	\$187m	24%	\$237m	26%	\$258m	14%	\$1,315m	22%
Residential	\$106m	3%	\$128m	4%	\$273m	10%	\$141m	4%	\$177m	3%	\$825m	4%
Retail	\$106m	16%	\$129m	17%	\$112m	14%	\$193m	21%	\$254m	12%	\$794m	15%
Total	\$3,752m	21%	\$3,681m	22%	\$2,736m	20%	\$4,562m	22%	\$5,283m	18%	\$20,014m	20%

Source: Victorian Building Authority (unpublished data)

Notes: Values expressed in current prices, unadjusted for inflation

Figures rounded

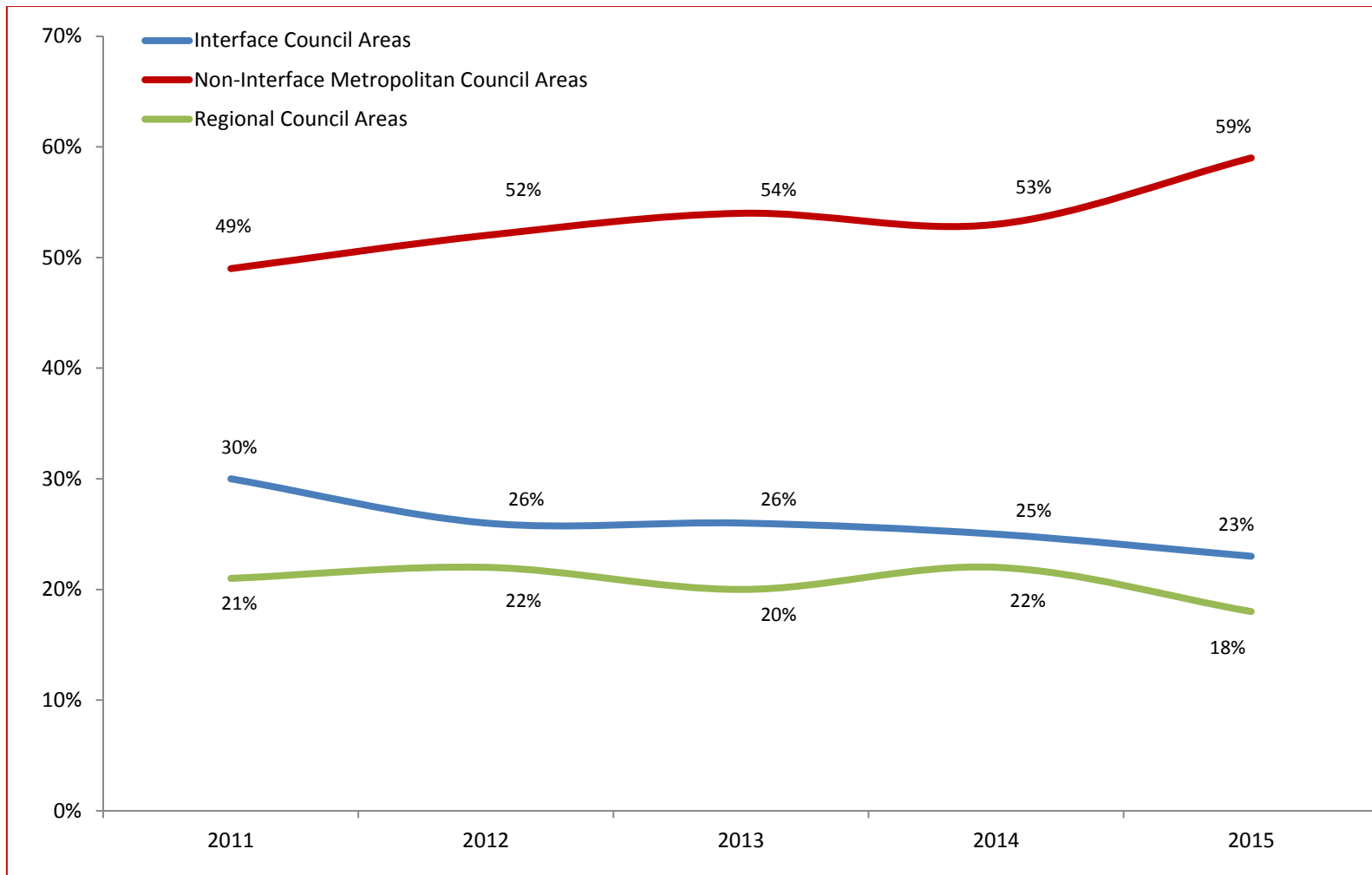
Figure 5.1: New Building Investment Trends by Building Type, Interface Council Areas, 2011 to 2015



Source: Victorian Building Authority

Note: Figures rounded

Figure 5.2: Trends in the Share (%) of Total Victorian New Building Investment by Region, 2011 to 2015



Source: Victorian Building Authority

Note: Figures rounded

6 ECONOMIC OUTPUT SCORECARD

1. Economic output data for 2014/15, as measured in Gross State Product (GSP), highlights the lack of economic infrastructure, capital investment, established industry sectors, supply chains and employment in Interface Council areas. Interface Council areas contributed just \$49 billion (or 14%) to Victoria's GSP of (\$345 billion) for the 2014/15 financial year.
2. The Interface Council areas proportional contribution to Victoria's GSP (14%) is the same as for 2013/14, and has only marginally improved since 2010/11 (when the proportion was 13%). Interface Council areas GSP contributions remain well below those of Non-Interface Metropolitan Council areas (67%) and Regional Council areas (19%); with these ratios remaining virtually constant between 2010/11 and 2014/15.
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. In contrast, Non-Interface Metropolitan Council areas provide 52% of total State labour force and generate 67% of Victoria's GSP; while Regional Council areas provide 23% of the State's total labour force and generate 19% of Victoria's GSP.

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

	2010/11		2013/14		2014/15	
	GSP Value	Proportion of State GSP	GSP Value	Proportion of State GSP	GSP Value	Proportion of State GSP
Interface Council Areas	\$42.2 billion	13%	\$46.7 billion	14%	\$48.8 billion	14%
Non-Interface Metropolitan Council Areas	\$210.2 billion	67%	\$223.6 billion	67%	\$230.3 billion	67%
Regional Council Areas	\$61.2 billion	20%	\$62.9 billion	19%	\$65.6 billion	19%
Victoria	\$313.6 billion	100%	\$333.2 billion	100%	\$344.7 billion	100.0%

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 (note, relates to 2014/15)

	Projects	Share of Total	TEI*	Share of TEI
Interface Council Areas	104	15%	\$3,013,989	16%
Non-Interface Metropolitan Council Areas	312	46%	\$4,879,078	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

Note: 2015/16 grant recipients to be announced later in 2016

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 |
| • 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
• 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	17	19.3%	\$73,356	21.9%
Non-Interface Metropolitan Council Areas	46	52.3%	\$179,241	53.4%
Regional Council Areas	25	28.4%	\$82,887	24.7%
State-wide / unallocated / location non-specific	0	0.0%	\$0	0.0%
Total	88	100.0%	\$335,484	100.0%

Source: Victorian Budget Papers 2016/17

Note: Figures rounded

Funded Interface Projects

New funding

- Bimbadeen Heights Primary School – modernisation TEI: 5.3 million
- Dallas Brooks Community Primary School – modernisation TEI: \$0.5 million
- Gum Scrub Primary School (Officer) – new school TEI: \$13.0 million
- Hampton Park Primary School – modernisation TEI: \$0.7 million
- Kismet Park Primary School (Sunbury) – modernisation TEI: \$0.7 million
- Mooroolbark East Primary School – modernisation TEI: \$2.4 million
- Mornington Primary School – modernisation TEI: \$5.0 million
- Tarneit West Primary School – new school TEI: \$13.0 million

Existing funding

- Craigieburn North West Primary School (Craigieburn) TEI: \$12.2 million
- Hampton Park Primary School (Hampton Park) TEI: \$5.0 million
- Manchester Primary School (Mooroolbark) TEI: \$1.3 million
- Mill Park Heights Primary School (Mill Park) TEI: \$6.0 million

- Pearcedale Primary School (Pearcedale) TEI: \$1.0 million
- Pembroke Primary School (Mooroolbark) TEI: \$2.2 million
- Wallan Primary School (Wallan) TEI: \$1.6 million
- Wattle Glen Primary School (Wattle Glen) TEI: \$1.5 million
- Yarra Junction Primary School (Yarra Junction) TEI: \$2.0 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	28	20.1%	\$170,060	20.7%
Non-Interface Metropolitan Council Areas	55	39.6%	\$370,887	45.1%
Regional Council Areas	55	39.6%	\$263,931	32.1%
State-wide / unallocated / location non-specific	1	0.7%	\$18,000	2.2%
Total	139	100.0%	\$822,878	100.0%

Source: Victorian Budget Papers 2016/17

Note: Figures rounded

Funded Interface Projects

New funding

- Broadford Secondary College – modernisation TEI: \$4.0 million
- Cranbourne Secondary College – modernisation TEI: \$9.0 million
- Diamond Valley College – modernisation TEI: \$2.0 million
- Edgars Creek Secondary School – new school TEI: \$12.0 million
- Hallam Senior Secondary College – modernisation TEI: \$0.5 million
- Kambrya College(Berwick) – modernisation TEI: \$3.0 million
- Manor Lakes College – new school TEI: \$10.9 million
- Sunbury College – modernisation TEI: \$4.8 million
- Tarneit Senior College – new school TEI: \$11.6 million
- Taylors Hill Secondary – new school TEI: \$12.0 million
- Tech Schools for Casey, Whittlesea, Wyndham and Yarra Ranges (estimated allocation) TEI: \$25.2 million

Existing funding

• Alamanda K9 College (Point Cook)	TEI: \$8.0 million
• Cranbourne Secondary College	TEI: \$1.0 million
• Doreen Secondary College – new school (stage 2)	TEI: \$12.0 million
• Eltham High School	TEI: \$2.6 million
• Emerald Secondary College	TEI: \$1.5 million
• Hazel Glen College (Doreen)	TEI: \$7.8 million
• Monbulk College	TEI: \$3.0 million
• St Helena Secondary College & Glen Katherine Primary School (Eltham North)	TEI: \$2.5 million
• Sunbury College	TEI: \$3.0 million
• Tarneit P–9 College	TEI: \$10.0 million
• Truganina P–9 School – stage 2	TEI: \$7.0 million
• Wallan Secondary College	TEI: \$5.0 million
• Werribee Secondary College	TEI: \$7.0 million
• Whittlesea Secondary College	TEI: \$4.7 million

10 LAND ACQUISITION FOR SCHOOLS SCORECARD

Table 10.1: Land Acquisition for Schools Funding Scorecard

	Projects	Share of Total	TEI (000s)	Share of TEI
Interface Council Areas	6	75.0%	\$103,450	73.0%
Non-Interface Metropolitan Council Areas	1	12.5%	\$25,500	18.0%
Regional Council Areas	1	12.5%	\$12,750	9.0%
State-wide / unallocated / location non-specific	0	0.0%	\$0	0.0%
Total	8	100.0%	\$141,700	100.0%

Source: Victorian Budget Papers 2016/17

Note: Figures rounded

Funded Interface Projects

New funding

- Land acquisition for new schools in Casey, Hume, Melton, Whittlesea and Wyndham (estimated) TEI: \$63.8 million

Existing funding

- Land acquisition for new schools in Taylors Hill West, Davis Creek, Edgars Creek, Gum Scrub Creek TEI: \$39.7 million

11 SPECIALIST SCHOOL FACILITIES SCORECARD

Table 11.1: Specialist School Facilities Scorecard

	Projects	Share of Total	TEI (000s)	Share of TEI
Interface Council Areas	0	0.0%	\$0	0.0%
Non-Interface Metropolitan Council Areas	0	0.0%	\$0	0.0%
Regional Council Areas	0	0.0%	\$0	0.0%
State-wide / unallocated / location non-specific	2	100.0%	\$66,000	100.0%
Total	2	100.0%	\$66,000	100.0%

Source: Victorian Budget Papers 2016/17

Note: Figures rounded

12 SPECIAL EDUCATION FUNDING SCORECARD

Table 12.1: Special Education Funding Scorecard

	Projects	Share of Total	TEI (000s)	Share of TEI
Interface Council Areas	3	14.3%	\$9,800	11.3%
Non-Interface Metropolitan Council Areas	8	38.1%	\$19,700	22.7%
Regional Council Areas	8	38.1%	\$35,400	40.7%
State-wide / unallocated / location non-specific	2	9.5%	\$22,000	25.3%
Total	21	100.0%	\$86,900	100.0%

Source: Victorian Budget Papers 2016/17

Note: Figures rounded

Funded Interface Projects

New funding

- Baltara School modernisation (Thomastown)
- Melton Specialist School
- Sunbury and Macedon Ranges Specialist School

TEI: \$0.4 million

TEI: \$5.4 million

TEI: \$4.0 million

Existing funding

Nil

13 FURTHER EDUCATION FUNDING SCORECARD

Table 13.1: 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	2	40.0%	\$23,900	5.7%
Regional Council Areas	0	0.0%	\$0	0.0%
State-wide / unallocated / location non-specific	3	60.0%	\$395,360	94.3%
Total	5	100.0%	\$419,260	100.0%

Source: Victorian Budget Papers 2016/17

Note: Figures rounded

Funded Interface Projects

New funding

Nil

Existing funding

Nil

14 HEALTH FUNDING SCORECARD

Table 14.1: Health Funding Scorecard

	Projects	Share of Total	TEI (000s)	Share of TEI
Interface Council Areas	5	7.2%	\$248,867	8.1%
Non-Interface Metropolitan Council Areas	22	31.9%	\$1,651,014	53.5%
Regional Council Areas	14	20.3%	\$811,828	26.3%
State-wide / unallocated / location non-specific	28	40.6%	\$373,768	12.1%
Total	69	100.0%	\$3,085,477	100.0%

Source: Victorian Budget Papers 2016/17

Note: Figures rounded

Funded Interface Projects

New funding

- Broadmeadows Surgery Centre, Jacana TEI: \$17.3 million

Existing funding

- Healesville Hospital Expansion TEI: \$5.6 million
- Casey Hospital Expansion (Berwick) TEI: \$106.3 million
- Werribee Mercy Hospital – acute expansion TEI: \$85.0 million
- Werribee Mercy Hospital – mental health expansion TEI: \$34.7 million

15 JUSTICE AND REGULATION FUNDING SCORECARD

Table 15.1: Justice Funding Scorecard

	Projects	Share of Total	TEI (000)	Share of TEI
Interface Council Areas	2	7.4%	\$19,000	1.8%
Non-Interface Metropolitan Council Areas	2	7.4%	\$1,160	0.1%
Regional Council Areas	4	14.8%	\$148,330	14.1%
State-wide / unallocated / location non-specific	19	70.4%	\$887,191	84.0%
Total	27	100.0%	\$1,055,681	100.0%

Source: Victorian Budget Papers 2016/17

Note: Figures rounded

Funded Interface Projects

New funding

Nil

Existing funding

- Mernda Police Station (Mernda)
- Multi-Disciplinary Centres – new centre (Wyndham)

TEI: \$15.0 million

TEI: \$4.0 million

16 ARTS AND CULTURAL FACILITIES

Table 16.1: 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	53.8%	\$484,690	81.5%
Regional Council Areas	3	23.1%	\$80,260	13.5%
State-wide / unallocated / location non-specific	3	23.1%	\$29,847	5.0%
Total	13	100.0%	\$594,797	100.0%

Source: Victorian Budget Papers 2016/17

Note: Figures rounded

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, Melbourne Park, Melbourne Exhibition Centre and Melbourne Zoo (Parkville).

Funded Interface Projects

New funding

Nil

Existing funding

Nil

17 ROADS FUNDING SCORECARD

Table 17.1: Roads Funding Scorecard

	Projects	Share of Total	TEI (000s)	Share of TEI
Interface Council Areas	9	17.6%	\$616,452	3.7%
Non-Interface Metropolitan Council Areas	10	19.6%	\$1,167,258	7.0%
Regional Council Areas	13	25.5%	\$1,728,139	10.4%
State-wide / unallocated / location non-specific	19	37.3%	\$13,109,875	78.9%
Total	51	100.0%	\$16,621,724	100.0%

Source: Victorian Budget Papers 2016/17

Notes: Statewide allocations include capital funding for the Western Distributor and Level Crossing Removal programs

Figures rounded

Funded Interface Projects

New funding

- Hallam Road duplication TEI: \$38.4 million
- Dohertys Road, Laverton North upgrade TEI: \$50.1 million
- Plenty Road, Mill Park upgrade TEI: \$101.0 million
- Thompsons Road duplication, Lyndhurst TEI: \$148.3 million
- Yan Yean Road duplication, Plenty TEI: \$126.2 million
- O’Hearns Road Upgrade, Epping TEI: \$77.8 million

Existing funding

- Sneydes Road Interchange (Point Cook) TEI: \$44.8 million
- Cardinia Road upgrade (Cardinia) TEI: \$9.4 million
- Thompsons Road duplication, Lyndhurst – planning and early works TEI: \$20.5 million

18 PUBLIC TRANSPORT FUNDING SCORECARD (RAIL AND BUS)

Table 18.1: Public Transport Scorecard

	Projects	Share of Total	TEI (000s)	Share of TEI
Interface Council Areas	5	10.4%	\$1,245,343	6.5%
Non-Interface Metropolitan Council Areas	20	41.7%	\$4,286,893	22.2%
Regional Council Areas	14	29.2%	\$1,182,511	6.1%
State-wide / unallocated / location non-specific	9	18.8%	\$12,579,708	65.2%
Total	48	100.0%	\$19,294,455	100.0%

Source: Victorian Budget Papers 2016/17

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

Figures rounded

Funded Interface Projects

New funding

- Mernda Rail Project TEI: \$587.7 million
- Ballarat Rail Upgrade: TEI: \$516.7 million
 - major component duplication of a 17-kilometre section of single track between Deer Park West and Melton TEI: \$135.9 million
- Hurstbridge Rall Line duplication TEI: \$5.0 million
- Upfield, Somerton and Wallan service enhancement planning

Existing funding

Nil

19 PUBLIC LIBRARIES FUNDING SCORECARD

Living Libraries Infrastructure Program 2015 – Department of Environment, Land Water and Planning (DELWP)

The Living Libraries Infrastructure 2015 Program provided grants of up to \$750,000, providing the following co-contributions were met:

- Libraries for metropolitan communities
 - DELWP \$1 : \$1 Local (all metropolitan councils)
- Libraries for interface councils
 - DELWP \$1.5 : \$1 Local (Cardinia, Casey, Hume, Melton, Mornington Peninsula, Nillumbik, Whittlesea, Wyndham, Yarra Ranges)
- Libraries for regional cities
 - DELWP \$2 : \$1 Local (Ballarat, Bendigo, Geelong, Horsham, Latrobe, Mildura, Shepparton, Wangaratta, Warrnambool, Wodonga)
- Libraries for regional and rural councils
 - DELWP \$3 : \$1 Local (remaining regional and rural councils – includes Mitchell)
- Libraries for small rural councils
 - No contribution required

The Living Libraries Infrastructure Program 2015 – Successful Grant Recipients

The Living Libraries Infrastructure Program 2014 delivered \$904,250 to Interface Councils (3 projects) out of a grant pool of \$4,000,000, which represented 23% of funding, with the remaining funding split between Non-Interface Metropolitan areas (\$223,480 or 6% of funding) and Regional Victoria (\$2,872,270 or 72% of funding).

Interface recipients were:

- | | |
|--------------------------------------|-----------|
| • Narre Warren Library (new) | \$750,000 |
| • Thomastown Library (refurbishment) | \$150,000 |
| • Mitchell libraries (refurbishment) | \$4,250 |

20 COUNCIL SCORECARD

Table 20.1: Interface Councils – Local Government Area Scorecard

	No. of Projects	TEI (000s)	Share of Interface Projects	Share of Interface TEI
Cardinia (C)	2	22,400	2.6%	0.9%
Casey (C)	13	352,690	16.9%	13.9%
Hume (C)	9	58,580	11.7%	2.3%
Melton (C)	4	546,874	5.2%	21.5%
Mitchell (S)	4	12,270	5.2%	0.5%
Mornington Peninsula (S)	1	5,000	1.3%	0.2%
Nillumbik (S)	6	270,665	7.8%	10.7%
Whittlesea (C)	12	843,414	15.8%	33.3%
Wyndham (C)	14	305,192	18.2%	12.0%
Yarra Ranges (S)	9	29,543	11.7%	1.2%
Land acquisitions – Taylors Hill West, Davis Creek, Edgars Creek, Gum Scrub Creek (various)	1	\$39,700	1.3%	1.6%
Growing Suburbs Fund	1	\$50,000	1.3%	2.0%
Total	76	\$2,536,328	100.0%	100.0%

Source: Victorian Budget Papers 2016/17

Note: Excludes Living Libraries Infrastructure Program and Children’s Facilities Capital Program grant allocations.

21 KEY FINDINGS AND CONCLUSIONS

State Budget 2016/17 Funding Overview

1. Interface Council areas have been allocated \$2,540 million (over 4 years) in Total Estimated Investment (TEI) from the 2016/17 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
 - Public library facilities
 - Roads
 - Public transport.
2. The \$2,540 Interface allocation (over 4 years) represents a significant increase from previous four-year budget allocations of \$910 million (2015/16), \$1,330 million (2014/15), and \$1,448 million in 2013/14. Note, State spending for priority infrastructure areas (as outlined above) has increased from \$18.7 billion (over four-years) in 2013/14 to \$42.6 billion (over four-years) in 2016/17.
3. The largest proportion of allocated investment over the four-year period is focused on public transport (\$1,245 million or 19% of allocated TEI), associated with new projects such as Mernda Rail and Hurstbridge Rail Line duplication projects.
4. The next largest allocated infrastructure investment is for roads (\$616 million or 35% of allocated TEI), for new and existing projects. New projects include Thompsons Road duplication, Yan Yean Road duplication and Plenty Road, Mill Park upgrade.
5. Primary and secondary schools have been allocated \$347 million (or 27% of allocated TEI) over the forward estimates, which includes new and existing projects and proposed land purchases in Interface Council areas.
6. Health has received funding of \$249 million over four years (or 9% of allocated TEI) associated with one new project (Broadmeadows Surgery Centre) and a number of ongoing projects.
7. Funding of \$50 million has been allocated for the Growing Suburbs Fund (which replaces the Interface Growth Fund). Note, this allocation (which is the same as for 2015/16) is for 2016/17 only, and will assist in the development of multipurpose facilities, community centres, playgrounds or other spaces needed by the community .
8. Justice has been allocated \$19 million (or 11% of allocated TEI) over the forward estimates, which relates to existing projects.
9. Early childhood / kindergarten investment (\$3.0 million) and Libraries (\$0.9 million) have received small allocations through the Children’s Facilities Capital Program (2014/15) and Living Libraries Infrastructure Program (2015) respectively.
10. For the fourth consecutive budget, no specific investment has been made in arts and cultural facilities in Interface Council areas.

Funding for Critical Infrastructure

6. Over the current 4-year budget period an estimated \$1,831 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 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.
7. State funding allocated in the 2016/17 budget over a 4-year period represents approximately \$1,914 million for these key infrastructure area, which is above the required four-year requirement (and includes the Growing Suburbs Fund). Note, roads funding is not included as a specific measure in the in the One Melbourne or Two report.
8. Further funding allocations for Interface infrastructure are likely to arise from unallocated statewide funding programs, such as:
 - \$266 million for road safety improvements across the State
 - \$147 million allocated to the TAFE sector, including the TAFE Rescue Fund which to assist with the reopening of closed campuses
 - \$94 million in capital funding for specialist school facilities eg community hubs at schools, doctors in schools, inclusive schools fund, schools pride and sports fund
 - \$20 million allocated to the Railway Station Carparking Fund
 - \$15 million bus package to fund new bus services across the State.
9. In this 4-year budget cycle, schools and public transport are adequately funded (although this needs to be balanced against under-investment in previous budgets); however, areas such as health, further education, justice, early childhood/kindergarten are underfunded resulting in a shortage of required infrastructure if unallocated State funds and/or private sector funding is not secured.
10. The estimated \$83 million ‘surplus’ in the 2016/17 budget compares to estimated shortfalls of \$920 million in 2015/16, \$810 million in the 2014/15, \$895 million in 2013/14, and \$955 million in 2012/13. In effect, the four-year funding allocations announced in the 2016/17 budget enables Interface Council areas to start to ‘close the gap’ in terms of cumulative funding deficits generated over the past few years.

Funding Equity

11. Interface Council areas accommodate approximately 26% of Victoria’s population and 34% of Metropolitan Melbourne’s population (ABS Estimated Resident Population, June 2015 provisional). Over the past 5-years, 2010 to 2015, Interface Council areas have been responsible for accommodating 46% of all State population growth and 51% of all Metropolitan Melbourne population growth.
12. In the most recent 5-year period, population growth in Interface Council areas (+3.1% pa) has far outstripped population growth in non-Interface Metropolitan Council areas (+1.4% pa) and Regional Council areas (+0.8% pa).

13. Over recent years, Interface Council areas have not received State funding in proportion to their share of total population numbers or their share of population growth.
14. However, the 2016/17 Budget allocated 49% of new funding to Interface Council areas, which marks a significant improvement on the 33% share of new funding allocated in 2015/16, 17% share of new funding allocated in the 2014/15 budget, and the 16% share of new funding allocated in the 2013/14 budget.
15. When new and existing funding is considered over the forward estimates, Interface Council areas received just 17% of total allocated investment for key infrastructure items, and this compares to 54% funding for Non-Interface Metropolitan Melbourne Council areas and 29% funding for Regional Council areas.
16. In the 2016/17 Budget, Interface Council areas were allocated 73% of land acquisition funds for schools, 21% of allocated funding for primary and secondary schools, 19% of allocated public transport funding and 18% of allocated roads funding.
17. Just 9% of allocated State health funding was directed towards Interface Council areas (down from 13% in the 2015/16 Budget), and this contrasts with 61% of funding for Non-Interface Metropolitan Council areas and 30% for Regional Council areas.
18. Interface Council areas received a specific \$50 million allocation through the Growing Suburbs Fund to be spent in 2016/17 for community infrastructure projects.

Interface Economic Development and Investment and Output Trends

Employment

19. The unemployment rate in Interface Council areas was 6.9% as of December 2015. This is higher than rates for both Non-Interface Metropolitan Council areas (5.8%) and Regional Council areas (5.8%). As of December 2015, 36% of all unemployed persons in Metropolitan Melbourne (approximately 55,000 persons) were labour force participants from Interface Council areas, which is higher than the 33% labour force contribution these areas make to Metropolitan Melbourne's overall labour force.
20. 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

21. In 2015, Interface Council areas secured 23% of all new building investment across the State (down from 25% in 2015 and 30% in 2011) which equates to \$6.9 billion in new investment over the year (up from \$5.4 billion in 2011). The 2015 figure represents an expansion in new building investment in the Interface of approximately +\$1.8 billion (or +35%) over the 12 months, which is well below the uplift experienced in Non-Interface

Metropolitan Council areas (+60%) but significantly higher than the increase in building activity for Regional Council areas (+15%) over the year.

22. 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. Five-year investment trends for Interface Council areas show an increase in new building investment from \$5.4 billion in 2011 to \$6.9 billion in 2015, which equates to a +28% increase in investment over the period. This is in contrast to investment expansion observed for Non-Interface Metropolitan Council areas (+92%) and Regional Council areas (+41%) between 2011-2015.
23. The main focus of investment in Interface Council areas in 2015 remains domestic dwelling construction (\$5.1 billion or 74% of all investment), which represents an increase of +\$1.04 billion (or +26%) over the 12 months. Over the same period the Interface's share of state-wide domestic dwelling investment fell slightly from 35% in 2014 to 34% on 2015.
24. In 2015 Interface Council areas secured a greater proportion of new State building investment in hospital/healthcare (12%, up from 5% in 2014), while the proportion of State investment in new public buildings declined from 32% in 2014 to 25% in 2015 (although the actual value of building investment increased from \$293 million to \$499 million over the 12-months). The five-year trend for these key areas of community infrastructure investment shows Interface Council areas securing 11% of hospital/healthcare building investment (compared to 57% for Non-Interface Council areas and 33% for Regional Council areas) and 25% of public building investment over the period (compared to 53% for Non-Interface Council areas and 22% for Regional Council areas).
25. Between 2014 and 2015, Interface Council areas recorded increases in commercial building investment (from \$326 million to \$506 million), industrial building investment (from \$83 million to \$140 million), and retail building investment (from \$212 million to \$415 million). The five-year trend for these sectors shows Interface Council areas securing 19% of State commercial building investment (compared to 67% 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 25% of retail building investment (compared to 60% for Non-Interface Council areas and 15% for Regional Council areas).

Economic Output

26. Economic output data for 2014/15, as measured in Gross State Product (GSP), highlights the lack of economic infrastructure, capital investment, established industry sectors, supply chains and employment in Interface Council areas. Interface Council areas contributed just \$49 billion (or 14%) to Victoria's GSP of (\$345 billion) for the 2014/15 financial year.
27. The Interface Council areas proportional contribution to Victoria's GSP (14%) is the same as for 2013/14, and has only marginally improved since 2010/11 (when the proportion was 13%). Interface Council areas GSP contributions remain well below those of Non-Interface Metropolitan Council areas (67%) and Regional Council areas (19%); with these ratios remaining virtually constant between 2010/11 and 2014/15.

28. 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).
29. In contrast, Non-Interface Metropolitan Council areas provide 52% of total State labour force and generate 67% of Victoria’s GSP; while Regional Council areas provide 23% of the State’s total labour force and generate 19% of Victoria’s GSP.

Conclusions

30. The 2016/17 Interface Scorecard highlights an improved funding position for Interface Council areas, which in this budget received adequate 4-year capital investment in public transport and schools; as well as a significant uplift in roads funding compared with previous budgets. The \$50 million fund for Interface community infrastructure (Growing Suburbs Fund – previously, the Interface Growth Fund), has been retained but not expanded in terms of overall funding.
31. However, insufficient infrastructure funding continues to be prevalent in the areas of health, further education, early childhood education/kindergarten, justice, arts and cultural facilities.
32. While notable State funding improvements are now occurring with regard to infrastructure in Interface Council areas, 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.
33. It is therefore important that improved funding levels observed in the 2016/17 Budget are sustained and expanded across all critical infrastructure areas, to ensure Interface Council areas start to close the gap in economic performance with non-Interface Metropolitan Areas.