



FEDERAL PLATFORM 2022





Rural Councils Victoria

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Now is the time for rural communities to shine.

The global pandemic has shifted how people think about working and living in rural Victoria, with unprecedented interest shown by families moving from capital and regional cities to change their lives and take advantage of all the benefits rural living has to offer.

The renewed interest in rural living has the potential to transform our communities and economies.

To meet this demand our communities need further investment, especially in housing, transport and services such as aged care.

Our communities also continue to need assistance recovering from the devastating effects of the January 2020 bushfires, as well as support in response to the ongoing impact of the COVID 19 pandemic, which continues to subdue spending across the key economic activity of tourism.

Without this support, rural communities in Victoria will not be able to meet the opportunities for greater economic development, job creation and prosperity that have emerged as a result of profound changes that have taken place across Australia over the past two years.

This is why we are calling for the next federal Government to take action across the essential services areas of housing, roads, aged care, emergency management, disaster support and digital connectivity.

We are also calling on the next Government to commit to the ongoing financial sustainability of rural councils in providing essential services to these communities, so that they can thrive and prosper.



Who we are

Rural Councils Victoria (RCV) represents Victoria's rural councils. We believe that liveable, sustainable and prosperous rural communities are fundamental to the ongoing success of Victoria.

Representing the one in nine Victorians who live in rural communities, RCV has 37 member councils right across the state.

Victoria's rural councils are responsible for 79 per cent of Victoria's land area, and have a combined population of approximately 745,000 people (Census 2016).

Our rural areas and communities are critical to the liveability of Victoria. They are also key to a thriving Victorian and Australian economy.

RCV was established in 2005 to coordinate the network of rural councils across Victoria in their efforts to better understand, articulate and address the issues affecting them.

Today, RCV has become the peak body representing and advocating for Victoria's rural communities and councils.

RCV commissions in-depth research so that residents and governments can better understand the challenges we face and actions needed. A great example is the RCV's *Rural Victoria Housing Blueprint* report, which identified a need for more than 87,000 new dwellings in rural Victoria in the next 15 years.

We continue to work closely with Municipal Association of Victoria (MAV), RDV, Local Government Victoria (LGV) and other state and federal agencies as we deliver our program of work.

Our Committee

The RCV Committee is comprised of both a Councillor and CEO representative from each of the six MAV rural regions.

- Cr Mary-Ann Brown (Chair)
Councillor, Southern Grampians Shire Council
- Cr Jane Ogden (Deputy Chair)
Councillor, Gannawarra Shire Council
- Cr Sonia Buckley
Councillor, East Gippsland Shire Council
- Cr Rob Gersch
Councillor, Hindmarsh Shire Council
- Cr Robert Vance
Mayor, Pyrenees Shire Council
- Dom Testoni
CEO, Benalla Rural City Council
- Darren Fuzzard
CEO, Mount Alexander Shire Council
- Tammy Smith
Acting CEO, Yarriambiack Shire Council
- Eric Braslis
CEO, Golden Plains Shire Council
- Andrew Mason (Treasurer)
CEO, Corangamite Shire Council
- David Morcom
CEO, Wellington Shire Council

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Housing

Key asks:

Double the National Housing Infrastructure Finance Corporation funding facility to \$2 billion.

Establish a grant program for rural areas to address housing infrastructure barriers.

\$1 billion

in lost productivity due to the housing shortfall in rural Victoria.

87,400

new homes needed in rural Victoria in the next 15 years.

5,800

new home starts per year needed to keep up with projected demand.

RCV research shows the lack of appropriate housing available to rent and buy is holding back job creation in rural areas.

Economic returns on property development that occur in capital and regional cities do not apply in rural areas where infrastructure building costs are the same, but profit margins are not.

The Rural Councils Victoria Housing Blueprint shows that around 87,400 additional dwellings are required in rural Victoria over the next 15 years.

Housing supply shortfalls have a big negative impact on rural communities – including foregone jobs and lost opportunities – that range from \$200 million a year to \$1 billion per year in lost Gross Regional Product in rural Victoria

We call on the incoming Government to commit to boosting housing supply. This will supercharge migration to rural areas, stimulate economic development and create employment opportunities for rural communities across Victoria.

Rural Victoria Housing Blueprint, SGS Economics & Planning



Economic impacts

The RCV Rural Victoria Housing Blueprint report by SGS Economics and Planning found that the sectors of the economy worst hit by the lack of appropriate housing for rental and home ownership include:

- agriculture
- forestry and fishing
- manufacturing
- construction
- health and social assistance
- education and training, and
- the rental, hiring and real estate industries.

But every sector would be negatively impacted.

Housing supply shortfalls have a big negative

impact on rural communities – including foregone jobs and lost opportunities – that range from \$200 million a year to \$1 billion per year in lost Gross Regional Product in rural Victoria.

Rural areas face several housing supply challenges, the report said, which typically do not apply in the metro area or in larger regional centres, such as:

Rural areas are characterised by smaller developers that have no incentive to innovate

Land withholding is a widespread issue, with owners inclined to drip feed local markets to keep profit margins up

Relatively few locations in rural areas can support small-scale multi-unit development of the type that would be ideal for transitory and seasonal key worker housing as well as long-term residents looking to 'age in place'.



Roads

Key asks:

Increase Roads to Recovery funding to \$800 million per annum.

Instigate Local Roads and Community Infrastructure program.

Increase the Federal Bridges renewal program.

75%

Of Australia's road network length is managed by local government.

\$1.2 billion

Road infrastructure backlog in rural Australia.

\$30 billion

Of council-owned infrastructure assets in need of urgent maintenance or replacement.

With small ratepayer populations, limited sources of revenue and thousands of kilometres of roads to maintain, rural councils are struggling to maintain the key road links that keep Australia's produce and resource economy going.

For rural councils, the gap between revenue and infrastructure expenditure is growing. Councils like West Wimmera Shire on the South Australian border, which has just over 4,500 people yet manages nearly 3000km of roads, are facing an insurmountable challenge of maintaining an extensive road network on a shoestring budget.

With demand for infrastructure maintenance growing while revenues shrink, local road maintenance now faces a backlog of \$1.2 billion. The only way to close this gap is by ensuring councils have the funding required to meet the needs of rural communities. Increasing the Roads to Recovery Program funding to \$800 million per annum would allow councils to plan for the long-term while also delivering much-needed maintenance.

Source: Australian Local Government Association

Rural economies need roads

Regional Victoria produces a third of the state's exports, and the regional road network is the link holding these economies together. When rural road links break down, so do rural businesses, adding thousands of dollars in fleet maintenance and overheads.

Increasing investment in critical road links will allow producers to reduce unnecessary overheads, improve freight efficiency, and support the tens of thousands of export jobs rural Australians rely on.

Bad roads cost lives

Long distance travel is a part of life in rural communities, but it shouldn't cost your life to live here. Despite our smaller population, more than half of all Victoria's road fatalities occur in rural and regional areas, making regional people more than four times more likely to die on their roads than those living in capital cities.

Worst of all, pre-pandemic this ratio was getting worse. Rural and regional fatalities had risen dramatically, with 20 more Victorians dying on our roads in the year to March 2017 than in the year before – well above the five-year average. Of the 15 local government areas with the highest five-year average fatalities, 11 are located fully or partially in regional Victoria, and this measure doesn't even account for population.

Unmaintained roads are dangerous roads, and the continued decline of road quality in rural Victoria is putting families at risk.





Aged care

Key asks:

Reform pricing of the Commonwealth Home Care Packages.

Introduce a rural focused older person accommodation building program.

Create a capital matching scheme to incentivise investment in the construction of aged care facilities and accommodation.

130%

Expected surge in demand for home care packages in rural Victoria by 2031.

3,600

Number of additional aged care beds that will be needed by 2031.

34%

Proportion of rural Victorians aged over 60 by 2036, (compared to 21 per cent for Melbourne and 28 per cent in regional cities).

Rural areas have older populations, so meeting the growing demand for aged care services and accommodation is vital to community welfare and viability.

The current pricing model of Home Care in rural areas lacks viability as potential providers face reduced financial returns from the consumer choice model of Home Care.

The model does not take into account the high travel time and costs involved in rural and remote home-based delivery.

Rural Councils Victoria proposes that the incoming Government change the in-home and residential care pricing models.

This would meet the expected increase in demand for services arising from an ageing population and also create much needed investment and jobs in rural communities.

Source: Rural Councils Victoria's submission to the Royal Commission into Aged Care

Residential care

Much of the existing residential care rural infrastructure is reaching its end of life.

Most of the rural residential care housing stock was built under a Commonwealth subsidy program which ended in 1986.

From 1954 to 1986 the Commonwealth subsidised non-profit organisations for up to 50% of capital cost of older persons housing under the former Aged Persons Homes Act.

We call on the incoming Government to revive this scheme, as well as the introduction of a capital matching program that would incentivise not for profit agencies to invest in the construction of accommodation for older persons, including residential aged care facilities.

This initiative would also serve as a much needed economic development boost to rural areas, providing construction jobs and activity.

What the Royal Commission into Aged Care said:

The availability of aged care in regional, rural and remote areas is poor—and it is worsening. We heard evidence about the difficulties older people face in regional, rural and remote areas when trying to access high quality aged care. Witnesses have told us of the scarcity of local services, greater travel times, higher costs to access and provide services, difficulties recruiting and retaining service providers, and a lack of access to health professionals.

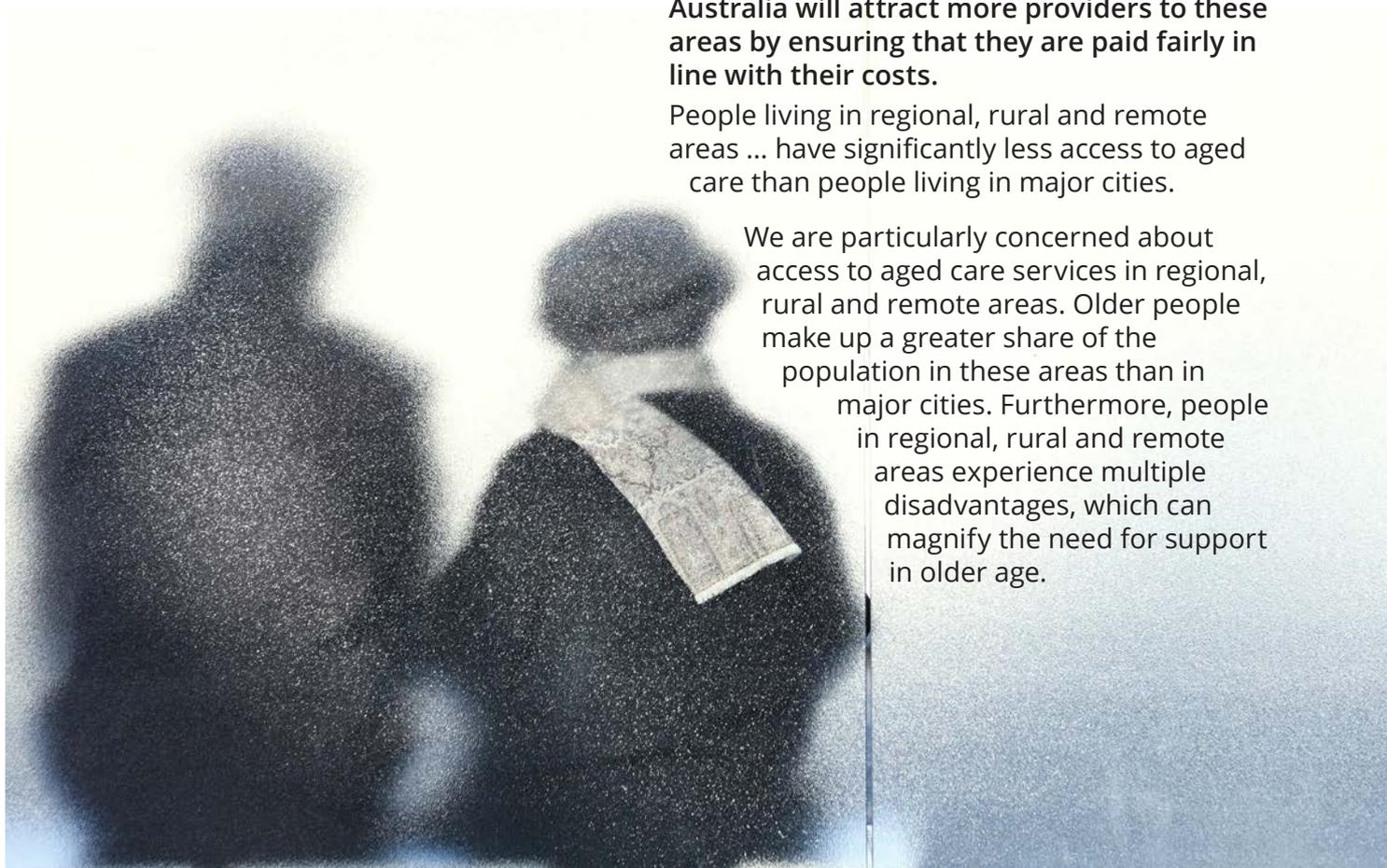
The Australian Government’s projections of demand for aged care in regional, rural and remote locations are population-based and do not take into account the levels of health care needs in a community.

People living in regional, rural and remote areas should have better access to aged care than they do.

Accurately costing and funding the provision of services in regional, rural and remote Australia will attract more providers to these areas by ensuring that they are paid fairly in line with their costs.

People living in regional, rural and remote areas ... have significantly less access to aged care than people living in major cities.

We are particularly concerned about access to aged care services in regional, rural and remote areas. Older people make up a greater share of the population in these areas than in major cities. Furthermore, people in regional, rural and remote areas experience multiple disadvantages, which can magnify the need for support in older age.





Emergency management

Key asks:

Provide greater funding for councils to prepare staff, communities and facilities for emergencies.

Ensure greater grant funding for mitigation and preparation activity for councils from the National Recovery and Resilience Agency.

Commit to mitigation, climate resilience and natural disaster risk reduction measures.

Adequate emergency management funding for natural disasters and climate events is essential for rural communities.

The impacts of climate change will see rising temperatures and increasing and more intensive extreme weather events including floods, heatwaves and bushfires.

These events will directly impact rural Victorian economies and communities, where the effects include:

- increased pressure on rural volunteer firefighters due to extended fire seasons and shortened preparation times
- extreme weather events that impact on the most vulnerable members of the community
- negative economic impacts on agriculture and tourism, the most important industries to the rural economy



Inhibiting rural population growth

Rural councils played a critical role during the January 2020 bushfires, providing essential local knowledge and support to all the State and Federal Government agencies and organisations involved in the emergency response.

That disaster demonstrated the unclear and inadequate national and state arrangements for funding natural disaster mitigation, adequate preparedness and disaster recovery which have

been canvassed by various committees and authorities over a number of years.

We call on the incoming government to commit to the full and rapid adoption of the recommendations in the Royal Commission into National Natural Disaster Arrangements (2020) for an integrated approach between all three levels of Government to emergency mitigation and the management of natural disasters and climate events.



Support rural tourism

Key asks:

Provide grants for tourism-related infrastructure upgrades, sponsorship and support for rural events, upgrades to public facilities at tourism spots.

Create a domestic tourism campaign targeting rural Victoria's tourism hotspots funded by Tourism Australia.

77,900

People employed in regional tourism in 2019-20, a drop of 6.8% on the pre-pandemic year of 2018-19.

\$7.4 billion

Regional tourism's share of State Gross Regional Product in 2019-20, well down on pre-pandemic levels.

-21.3%

Decline in regional tourism's share of GRP, compared with -19.8% in Melbourne.

Tourism is the economic lifeblood of rural Victoria.

Rural communities are still recovering from the disastrous January 2020 bushfire season, and the COVID 19 emergency.

Over the past two years, many rural Victorian small businesses have suffered from the reduced demand for services and dwindling customers due the repeated lockdowns in metropolitan Melbourne.

This past summer has also seen rural businesses suffer due to the 'shadow lockdown' that saw cafes, restaurants and accommodation centres closing due to staff unavailability, cancelled bookings and reduced visitation, all occurring at what should have been the peak summer holiday season.

In 2019-20 regional tourism contributed 46.8 per cent to Victoria's direct tourism employment, or 77,900 jobs, a decline of 6.8 per cent compared to the previous pre-pandemic year of 2018-19.

Source: ABS



In terms of regional tourism's contribution to State Gross Regional Product (GRP), it was worth \$7.4 billion in 2019-20, or 32.9 per cent of the State total, a significant decrease of 21.3 per cent when compared to the 2018-19 figure.

The 21.3 per cent decline in tourism GRP was larger than the 19.8 per cent decline experienced in Melbourne over the same time.

This demonstrates the economic importance of tourist activity to rural communities and their

economies. Natural disasters such as bushfires and global pandemic-related lockdowns have an outsized impact on rural businesses such as cafes, restaurants, retail stores and accommodations outlets.

This is why we are calling on the incoming government to support the Victorian rural tourism industry, and provide assistance to help operators get back on their feet after the unprecedented upheaval of the past two years.



Support rural councils

Key asks:

Extend the Local Roads and Community Infrastructure Program to better support rural communities.

Top up Financial Assistance Grants to rural councils.

Demand for council services is growing, and costs are increasing but the rural rate base remains low and the value of Financial Assistance Grants from the Federal Government is not adequate to make up the shortfall.

The COVID-inspired exodus from the cities is further widening a gap that is continually harder for councils to close on their own.

Decreasing relative funding is forcing councils to choose between delivering the services residents rely on and financial sustainability.

Increased Federal support is essential.

We are calling for the extension of the Local Roads and Community Infrastructure Program to better support rural communities.

Financial Assistance Grants are linked to GST revenue, which is falling due to changing consumer spending and COVID-19.

The Financial Assistance Grants revenue base is stagnating, and falling in real terms.

Communities across rural Australia need the Grants to be topped up, which would go a long way to giving rural councils, and their residents, the stability they need to thrive.



Reducing the burden on disadvantaged rural ratepayers

The average resident in Victoria's rural councils has a lower income and less capacity to pay high rates than residents in metropolitan areas. This severely limits the ability of rural councils to raise revenue without putting residents into financial stress.

For Stonnington, an inner-Melbourne council on the minimum grant, residents spend an average of 1.6% of household income on council rates. In Strathbogie Shire, where residents have less than half the average household income, residents spend more than double the proportion of income on rates, with 3.9% of median household incomes going to rates.

This situation puts rural councils in a bind – they can either put residents in financial difficulty, or struggle to meet their own financial commitments.

Managing financial risk in rural councils

With increasing demand for infrastructure spending but declining ratepayer revenues, rural councils are struggling to develop long-term financial sustainability.

Data from the Victorian Auditor-General's Office found that councils in rural and regional areas showed disproportionately high levels of financial risk. In rural Victoria, more than 80% of small shires were identified as being at medium or high risk of not being able to fund essential services.

Rural Victorians depend on their councils to provide basic infrastructure and services, but there is increasing concern among rural councils that an economic downturn would place them at a serious risk of being unable to perform these basic functions.

Topping up Financial Assistance Grants would allow councils to plan for the future, saving money over the long term and deliver better value for government at all levels.



Digital connectivity

Key asks:

Provide fixed line broadband access to all towns with 300 or more premises.

Eliminate mobile blackspots in rural Victoria.

Despite nBn Co stating that its infrastructure build is now complete, the lived reality for too many rural Victorians is one of no broadband access or a service that is either unstable or so slow that the benefits of digital connection are very limited.

The recent Connecting Victoria survey of mobile and broadband issues, drew more than 11,000 responses, more than half were from rural and regional Victorians who were let down by the quality of their broadband and mobile services.

Indeed, 41 per cent or more than 4510 responses were rural Victorians, despite making up only about 12 per cent of the state's population.

This is indicative of the poor state of broadband and mobile services across rural Victoria.

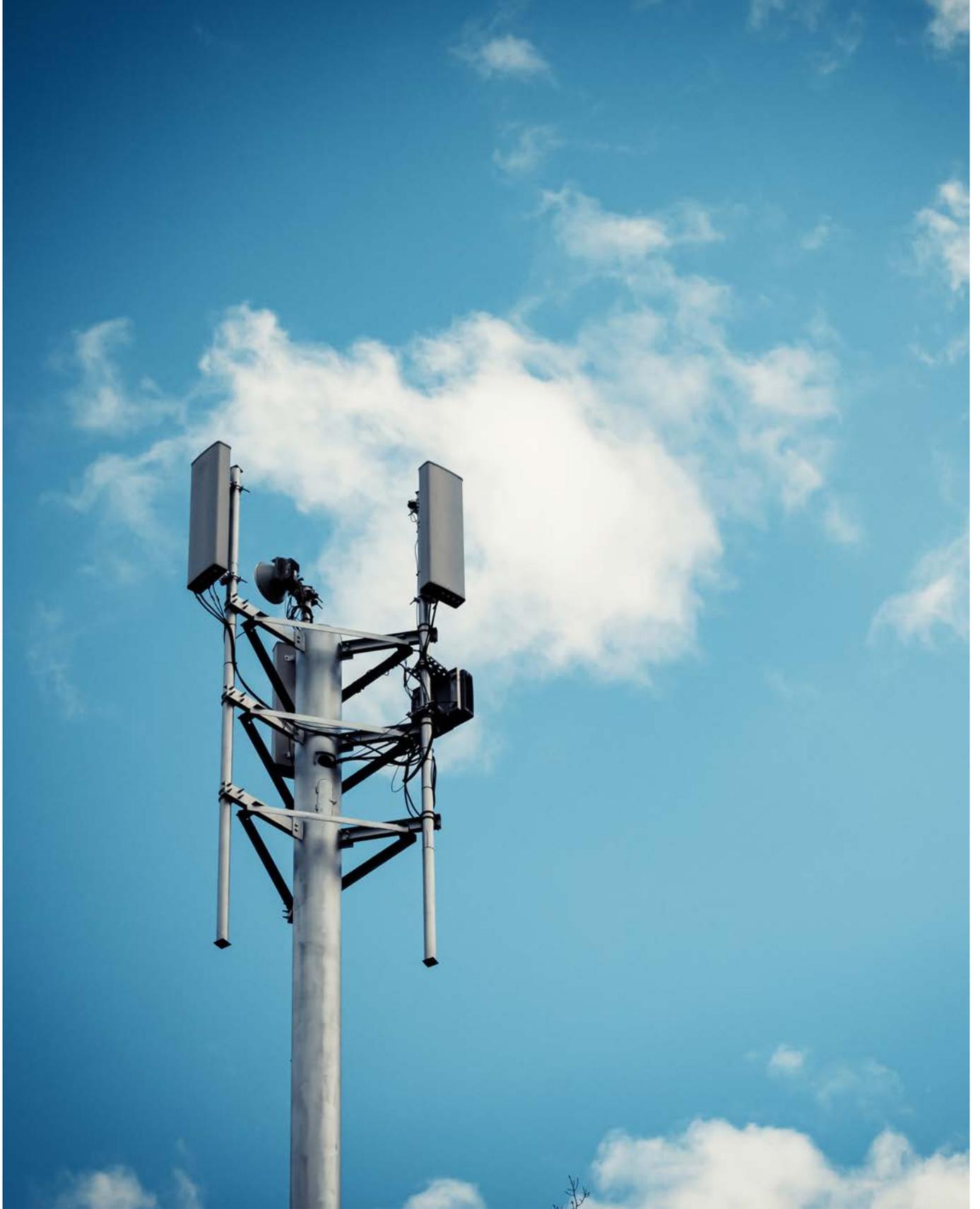
The satellite and fixed wireless services offered to rural Victorians is clearly not good enough.

Connecting more premises and improving existing internet access will:

support economic development in rural communities

- connect local businesses to external markets
- bring daily information for farmers
- increase employment opportunities through a more diverse economy
- create better education opportunities with young people having equitable access to a learning and skills experience
- increase community safety with effective communications with ambulance, fire and police before, during and after emergencies
- improve health outcomes with patients being able to better connect with services, and
- rural medical professionals being able to exchange large data files

Improving broadband in rural Victoria is essential to strengthening the social and economic wellbeing of rural Victorian communities, supporting business, education, health and jobs.



Quality mobile coverage

Quality mobile phone connectivity is essential for businesses, emergency services and visitor economies to thrive.

Far too many parts of rural Victoria lack effective mobile phone access, cutting communities off from an essential service that most Victorians living in cities take for granted.

Infrastructure Australia, in its 2022 Regional Strengths and Infrastructure Gaps report, identified almost 1,500 mobile blackspots across the state

Too much of rural Victoria is still not connected to mobile reception, and while funding has been welcome, it's just not enough.



RCV Promise Tracker – Federal Election 2022

	Coalition	ALP	Others
Housing			
Double the National Housing Infrastructure Finance Corporation funding facility to \$2 billion.			
Establish a grant program for rural areas to address housing infrastructure barriers.			
Roads			
Increase Roads to Recovery Program			
Enhanced Local Roads and Community Infrastructure Program			
Increase Federal Bridges renewal program			
Aged care			
Reform pricing of the Commonwealth Home Care Packages (CHSP), taking into account limitations of delivery in rural settings such as extra transport costs and lack of provider choice.			
Introduce a rural focused Older Person accommodation building program modelled on former Commonwealth Aged Persons Home Act.			
Create a capital matching scheme to incentivise investment in the construction of further accommodation for older persons, and aged care facilities.			



RCV Promise Tracker – Federal Election 2022

	Coalition	ALP	Others
Emergency management			
Provide greater funding for councils to prepare staff, communities and facilities for emergency.			
Ensure greater grant funding for mitigation and preparation activity for councils from the National Recovery and Resilience Agency.			
Commit to mitigation, climate resilience and natural disaster risk reduction measures.			
Supporting tourism			
Provide grants for tourism-related infrastructure upgrades (e.g. main street redevelopment, support rural events, upgrades to public facilities at tourism spots).			
Create a domestic tourism campaign targeting rural Victoria’s tourism hotspots funded by Tourism Australia.			
Supporting rural councils			
Extend the Local Roads and Community Infrastructure Program to better support rural communities.			
Top up Financial Assistance Grants to rural councils.			
Digital connectivity			
Provide fixed line broadband to all towns with 300 or more premises.			
Eliminate mobile blackspots in rural Victoria.			

