



Invest in rural Victoria.

Strong Rural Communities.

A Stronger Victorian Economy.

The RCV 2026 State Election Priorities sets out RCV's election priorities and policy proposals. This companion briefing provides practical and supporting detail showing how those priorities translate into housing, jobs, services and resilience outcomes across rural Victoria – with benefits felt statewide.

Rural Victoria is central to Victoria's economic growth, agricultural productivity, export performance and community identity.

As infrastructure pressures intensify and population growth accelerates across rural areas, targeted investment in rural councils is critical to unlocking housing supply, supporting business growth and sustaining liveable communities.

Rural Councils Victoria (RCV) is calling on the next Victorian Government to **invest in rural Victoria through a \$1 billion Rural and Regional Victoria Productivity and Growth Fund**, as outlined in the *RCV State Election Priorities*.

The Fund is designed to deliver practical, high-return investment aligned with government priorities for productivity, housing, infrastructure, liveability and regional growth.

AT A GLANCE

Why Rural Victoria Matters

- Nearly one in four Victorians lives in rural and regional Victoria
- Rural and regional areas generate almost 20% of Victoria's economic output — more than \$118 billion annually.
- Around 850,000 jobs are supported across agriculture, manufacturing, tourism and services.
- Victoria's agriculture sector generates \$20.2 billion annually — 23% of national agricultural output.
- Regional communities underpin food security, exports and resilient supply chains.

Strong rural communities benefit all Victorians by easing pressure on metropolitan housing, infrastructure and services while supporting statewide productivity and economic resilience.

The Challenge Facing Rural Councils

Despite their economic significance, rural councils face growing pressures:

- Smaller and less flexible revenue bases.
- Higher per-capita service and infrastructure costs due to distance and dispersed settlements
- Ageing and insufficient connecting trunk infrastructure constraining housing and business development.
- Increasing exposure to drought, bushfire, flood and climate impacts
- Rising governance, planning and compliance obligations without matching resources
- Extremely limited options to increase revenue, especially in a rate capped context.
- Difficulty attracting and retaining highly skilled councillors and staff.

Without targeted state investment, housing delivery will stall, workforce shortages will worsen and opportunities for regional economic growth will be lost.



How the \$1 Billion Productivity and Growth Fund Works in Practice

The RCV election platform proposes a **\$1 billion Rural and Regional Victoria Productivity and Growth Fund** of new investment over 4 years, delivered through four complementary streams. The examples below demonstrate how targeted investment through each stream would deliver immediate and long-term benefits.

We are calling for a guaranteed minimum of 25% to go to rural Victoria, to ensure that rural councils and communities get their fair share.



These streams are explained in more detail across the following pages.

Stream 1: Community Wellbeing and Local Places Renewal

Objective

Renew ageing local assets that support participation, community resilience and growth.

What this investment would deliver

Rural councils are responsible for maintaining a wide range of community assets that underpin liveability and social cohesion. Many of these assets are ageing and require renewal to remain safe, accessible and fit for purpose.

Investment through this stream would support:

- Renewal of community halls, aquatic facilities, libraries and multi-use precincts
- Upgrade of parks, public spaces and recreation assets
- Creation of inclusive, accessible community facilities that support participation and wellbeing

Targeted renewal of local places strengthens rural communities, supports population retention and growth, and ensures residents can access the services and facilities they need close to home.

Stream 2: Economic Development

Objective

Provide investment for rural councils and businesses to grow jobs, economic activity and local prosperity.

Investment in this stream would support:

- Development of economic strategies such as economic growth plans, precinct development plans and other economic development initiatives.
- Co-investment opportunities for business expansion, innovation and capability uplift.
- Projects designed to support businesses and increase economic activities
 - Support local events, tourism infrastructure, and visitor experiences to attract more people to regional communities and boost local spending.
 - Invest in streetscapes, silo art trail activations, and rail trails to enhance town appeal and build on existing cultural and natural assets.
 - Fund targeted, place-based initiatives that drive jobs, support small businesses, and strengthen long-term economic resilience in rural areas.

Stream 3: Council Sustainability and System Reform

Objective

Address structural funding gaps and cost pressures on rural councils.

Example

Untied, needs-based support for compliance and state priorities.

Provision of untied, needs-based funding is essential to enable rural councils to meet growing governance, planning and compliance obligations that arise from State Government policy and projects.

This includes requirements such as:

- Responding to Environmental Effects Statements (EES), Gender Equity reviews, increased reporting requirements, and responding to Treaty.
- Monitoring and enforcing planning conditions for state-significant projects
- Processing increased planning and reporting demands to meet state housing and growth projections

Without flexible support, these unfunded obligations divert scarce council resources away from service delivery and infrastructure renewal. Investment through this stream enables councils to support State priorities efficiently while maintaining financial sustainability.

Investment in this stream would also support:

- Councils to adopt new technologies that save money and time
- Provide support for councils to conduct feasibility studies on how they can perform more effectively for their communities.
- Provide direct support for the resourcing and staffing requirements that are needed to meet changing compliance expectations.

Stream 4: Housing Supply and Enabling Infrastructure

Objective

Unlock rural housing by investing in enabling infrastructure, council capacity and risk mitigation.

Examples

Essential infrastructure to unlock development.

Basic infrastructure — power, water, sewer and drainage — is a prerequisite for housing development in rural towns. However, the upfront cost of infrastructure provision is often a major barrier.

In many communities, sewer main extensions or essential service connections can cost as much as the land purchase itself, making development commercially unviable.

Targeted investment through this stream would:

- Fund enabling infrastructure that unlocks zoned land
- Reduce risk and upfront costs for private developers
- Support council-led housing facilitation and capacity programs
- Accelerate delivery of housing to attract workers and support growth

Strategic infrastructure funding is essential to turning planning decisions into built housing outcomes across rural Victoria.

Stream 4: Housing Supply and Enabling Infrastructure

Continued

Investment in this stream would also support:

- Council housing facilitations program including Housing Broker roles
- Risk reduction to unlock private investment
- Funding and expansion of Regional Planning HUB – accelerating growth and investment

Example

Example: Regional Planning HUB – accelerating growth and investment

RCV calls for continued and expanded investment in the Regional Planning HUB, funded through the Economic Development stream, to support rural councils to unlock housing and economic development and respond to regional shortages to planning resources.

The Planning HUB enables councils to:

- Progress complex planning reforms and assessments
- Deliver precinct development
- Rural and industrial land strategies
- Reduce planning bottlenecks that delay private investment and job creation

Expanding the Planning HUB is a cost-effective way to lift productivity, accelerate development and align local delivery with State planning and housing objectives.

Roads: A Separate and Critical Priority

Roads funding should sit outside the proposed Productivity and Growth Fund and remain a distinct, dedicated investment priority.

Rural roads are fundamental to Victoria's economy, supporting:

- Agricultural productivity and freight movement
- Manufacturing and regional supply chains
- Tourism and visitor access
- Community access to services and employment

RCV calls for increased road funding, an increase to the maintenance budget of \$500 million per year for 4 years to a total of \$2 billion extra over the next term. Our focus is across three priority areas:

1. Increased maintenance funding for state-owned roads to address declining condition and safety
2. Roads and productive corridors to improve freight efficiency, address bottlenecks and support the visitor economy
3. Act local by extending and expanding the Safe Local Roads and Streets Program beyond 2027

Dedicated road funding recognises the statewide economic value of rural road networks and ensures investment is not diluted.



Supporting Delivery: Building RCV and Sector Capacity

Strong outcomes for rural Victoria require a strong rural peak body.

Rural Councils Victoria is seeking \$2 million in dedicated funding to support Building Local Government Capability, as outlined in its 2026 Budget Priorities.

This investment would enable RCV to deliver:

- Professional development and leadership training for councillors and executives
- Mentoring and governance support programs
- Targeted capability building tailored to rural councils and their specific issues, in financial management, compliance and leadership
- Production of information toolkits to help councils, conduct research and policy development.

This is a low-cost, high impact investment that reduces risk, improves governance and strengthens delivery across the entire rural local government sector, this complements existing programs while meeting the unique needs of rural councils.



Additional Priorities to Support a Stronger Rural Local Government Sector

In addition to the proposed \$1 billion Rural and Regional Victoria Productivity and Growth Fund, Rural Councils Victoria is calling for action on a set of system-level priorities that are essential to the effective functioning, safety and sustainability of rural local government.

These priorities address governance, regulatory burden and sector capability, and are critical enablers of successful delivery across all funding streams.

Apply a Rural Lens to Government Reform

The Victorian Government should require a Regulatory Impact Statement for all legislated changes that directly affect rural communities or rural councils, supported by meaningful engagement with the sector.

Applying a rural lens upfront improves policy design, reduces unintended consequences and supports better implementation outcomes.

Establish a Local Government Cost Index

RCV calls for prompt implementation of the recommendations from the 2024 Inquiry into Local Government Funding and Services, including establishment of a Local Government Cost Index.

A Cost Index would ensure annual rate cap settings better reflect the real and growing costs faced by councils, particularly in rural areas.

Scrap the Emergency Services Volunteer Fund Levy

RCV strongly opposes the Emergency Services Volunteer Fund (ESVF) levy and calls for it to be abolished. At a minimum, councils should not be responsible for collection of the levy.

Removing this burden would reduce administrative cost, risk and community dissatisfaction for rural councils.

Boost Council Safety

Local government should be included in Workplace Protection Orders, set to be established in Victoria in 2026. These orders will enhance the safety and rights of local government employees, particularly in frontline rural settings.

These additional priorities complement the Productivity and Growth Fund by ensuring rural councils have the governance, capability and safety settings required to deliver outcomes for their communities.



Invest in rural Victoria.

The \$1 billion Rural and Regional Victoria Productivity and Growth Fund provides a practical framework for targeted, high-return investment in rural communities.

By backing rural councils through these four funding streams and maintaining a strong, separate commitment to roads the next Victorian Government can unlock housing, grow regional economies, strengthen communities and deliver a more balanced and productive state.

What We're Asking of MPs and Candidates

Rural Councils Victoria calls on all parties to:

- Support the establishment of the \$1 billion Rural and Regional Victoria Productivity and Growth Fund
- Guarantee a fair share of funding for rural Victoria
- Maintain a strong, separate commitment to rural roads
- Support dedicated funding for RCV to build sector capability and improve delivery

Backing rural councils and the organisation that supports them is an investment in Victoria's future.