



Victorian Government Response to

Victorian Competition and
Efficiency Commission's
Final Report.

*A State of Liveability:
An Inquiry into Enhancing
Victoria's Liveability*



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Victorian Government Response

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Foreword

Victoria is renowned for its robust economy, high quality healthcare and education, and its cultural diversity and cohesion. This is attested to by Victoria being consistently ranked among the most liveable locations in the world by international surveys.

The Victorian Government is committed to ensuring that Victoria continues to be a great place to live, work and raise a family. Enhancing liveability ensures a high quality of life for Victorians and contributes to economic competitiveness and the future prosperity of Victoria.



Enhancing Victoria's liveability will not be a simple process. Victoria's liveability is facing significant challenges on many fronts, including from the global financial crisis, climate change and our growing and changing population. Compounding these challenges is the reality that solutions often involve difficult trade-offs, significant expenditure and long lead times.

The Government commissioned the VCEC to report on liveability to give the community and policymakers a greater appreciation for the breadth, depth and synergies involved in the complex and multidimensional concept of liveability, and to assess where Victoria is performing well and where it could do better.

This is the sixth inquiry undertaken by the VCEC and its broadest inquiry to date. The final report, *A State of Liveability: An Inquiry into Enhancing Victoria's Liveability*, makes 5 recommendations and contains 36 findings. The Government has closely examined each of the VCEC's recommendations and findings, and is strongly supportive of the directions recommended in the VCEC's report. This document details how the Government is responding to each of the report's recommendations.

There was a keen level of interest and participation from stakeholders and other interested groups throughout the inquiry process. I would like to thank all those who participated in this important inquiry.

JOHN LENDERS MP
Treasurer

**Victorian Government Response to the VCEC Final Report:
*A State of Liveability: An Inquiry into Enhancing Victoria's Liveability***

Overview

The Government welcomes the Victorian Competition and Efficiency Commission (VCEC) report, *A State of Liveability: An Inquiry into Enhancing Victoria's Liveability*.

Liveability encompasses the wellbeing of a community and comprises the many characteristics that make a location a place where people want to live. The concept of liveability encapsulates the Government's entire portfolio of responsibilities.

The VCEC report represents the first time in Australia that a government has systematically sought to consider and embrace the concept of liveability. This analysis is pertinent as technological, political and environmental challenges require economies and societies around the world to integrate and rapidly adapt to change. Changes to our way of life that may have previously taken decades to filter through are now occurring before their ramifications can be fully evaluated. This is leading to a greater emphasis on good governance and greater appreciation of the complexities associated with increased uncertainty and risk in decision-making.

The scope of the study of liveability enables an aggregate and a timely perspective of the effects of these changes. It also provides a more holistic way of interpreting change, which enables the Government to better respond to changes, especially those that affect families and the disadvantaged members of our community.

The Government Response supports, or supports-in-principle, all of the VCEC's recommendations. In doing so, the Government is conscious that the VCEC did not examine several issues, such as housing affordability, health and education, which are the subject of continuing in-depth analysis elsewhere in Government.

Defining and Describing Liveability

The VCEC's working definition of liveability for the purposes of the inquiry is:

'liveability reflects the wellbeing of a community and comprises the many characteristics that make a location a place where people want to live now and in the future'.

The Government considers that this definition adequately encapsulates the meaning of liveability and provides a useful working definition of liveability to inform debate on public policy.

Drivers of Liveability

The Government agrees with the VCEC that the main drivers of liveability are: communities; economic strength and markets; governments and decision making; and human rights.

These drivers are central to enhancing Victoria's liveability. The Government agrees with the VCEC that these drivers can be strengthened by:

- improved information provision, to allow more informed decision making;
- best practice regulation, to ensure only necessary and appropriate government interventions in community and business activities; and
- governance architecture, which applies the principle of subsidiarity and ensures that the development and implementation of planning and other policies are as well integrated as possible.

The Government has introduced several overarching initiatives to ensure these drivers are reflected in all its policies. For instance, proposed regulations with an appreciable economic or social burden on any sector of the community follow a standard process which requires extensive consultation with all relevant stakeholders, a full cost benefit analysis, and certification of the analysis by the VCEC. In addition, in July 2006, the Government announced the [Reducing the Regulatory Burden](#) initiative, which sets specific and ambitious targets for reducing red tape imposed by state regulation on the business and not-for-profit sectors.

To integrate planning and community development, and help develop strong and inclusive communities, the Government established the Department of Planning and Community Development (DPCD) in 2007.

Measuring Liveability

The Government agrees with the VCEC that composite measures of liveability, such as the Economist Intelligence Unit Quality of Life City Ranking and the Mercer Human Resource Quality of Living Survey, are signposts for the public and policymakers, but no substitute for the complex analysis required to underpin sound public policy.

The Government agrees with the VCEC that a suite of Government and other indicators available to Victorians offers a better means of assessing the performance of policies and assisting governments, businesses and individuals in decision making. This is why the Government introduced [Growing Victoria Together](#) (GVT) in 2001 and refreshed it in 2005. GVT articulates the issues that are important to Victorians, and the priorities the Government has set to make Victoria a better place in which to live, work and raise a family, to 2010 and beyond. A key commitment in GVT is regular reporting on the progress that the Government has made to achieve the GVT goals.

Future Liveability in 'One Victoria'

The Government notes the overarching themes identified by the VCEC for maximising future liveability are:

- enhancing information provision to better inform decision making by governments, individuals and businesses;
- effective integration of government efforts — including the importance of subsidiarity in decision making;

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- the importance of best practice regulation; and
- managing growth in the context of Victoria as a whole.

These themes are embedded, amongst others, in the Government's 2009 [*Statement of Government Intentions*](#), which identifies the Government's strategic priorities as follows:

- Jobs - A resilient economy for long-term growth.
- Families - People who are educated, healthy and involved.
- Communities - Places that are planned, connected and secure.
- Environment - Climate change and water.

The Government will also continue its comprehensive legislative and regulatory reform program, which includes taking action to reduce red tape, promoting economic reform through competition and strengthening accountability.

Recommendations and the Government Responses

Recommendation 4.1

The Commission proposes that the government publish annually a suite of liveability indicators based on GVT, a 'liveability report', including additional transport indicators such as congestion, further measures of community strength such as urban amenity and housing affordability, measures of regulation, and other indicators that are relevant to the state of liveability.

Response:

Supported-in-principle

In 2001, the Government introduced the *Growing Victoria Together* initiative (GVT) to articulate the issues that are important to Victorians, and the priorities the Government has set to make Victoria a better place in which to live, work and raise a family, to 2010 and beyond.

To ensure GVT remained up-to-date, the Government refreshed it in 2005. The Government reports annually on progress toward GVT goals. The annual reports, released with the Budget Papers, contain improved information as it comes to light.

In addition, the Government makes available sector specific information relating to Victoria's liveability on departmental websites and in annual reports, issues papers and research papers.

The Government is committed to the maintenance of strategic indicators relevant to evidence-based policy making and will continually seek to improve upon the current range of indicators.

Recommendation 6.1

In further pursuing the objective of improving government service delivery, the government should ask a body such as the State Services Authority to assess the use of service charters and other approaches to improving service standards in government agencies.

Response:

Supported-in-principle

The Government is continually investigating ways to improve the service standards of Government agencies. Where the Government's analysis indicates that service charters are likely to be a cost effective means of improving service standards, the Government will consider further investigating their use.

Recommendation 9.1

The Commission recommends that to facilitate the assessment of liveability impacts, the Growing Victoria Together framework be used to expand reporting on the outcomes of key measures to reduce congestion, including those to increase public transport usage, and on congestion itself. The relevant agencies would need to investigate the best way to provide annual data on these issues for the proposed liveability report.

Response:

Supported-in-principle

As with other dimensions of liveability, the Government will keep under review indicators relating to transport congestion and public transport usage.

Recommendation 9.2

The Commission recommends that the next review of restrictions on competition in the taxi and hire car industry (which should occur according to the Competition Principles Agreement), cover metropolitan and provincial Victoria and include:

- options for improving service quality and promoting innovation;
- all forms of small commercial passenger vehicles services;
- barriers to the development of new allocation networks; and
- barriers to greater regional competition and service innovation.

Response:

Supported

The Government agrees with the VCEC that flexible transport modes play an important role in meeting the increasing complexity of the transport needs of Victorians. In particular, the Government notes the importance of taxis in offering flexible, door-to-door service, especially for people who cannot drive due to reasons of age, frailty or disability or who do not have access to public transport.

The Government is continuing its reforms of the taxi industry and further work will include an evaluation of the merit of the VCEC's recommendations and the issues raised in the Essential Services Commission's *Final Report Taxi Fare Review 2007-08*.

Recommendation 10.1

The Commission considers that there is a case for reconsidering the Scrutiny of Acts and Regulations Committee (SARC) review recommendation that the Subordinate Legislation Act be amended to include appreciable environmental burden as part of the threshold test for preparation of a Regulatory Impact Statement and consultation requirements.

Response:

Supported

The Government supports recommendation 10.1 and will reconsider a recommendation by SARC that the *Subordinate Legislation Act 1994* (SLA) be amended to include appreciable environmental burden as part of the threshold test for preparation of a Regulatory Impact Statement and consultation requirements. The Government is reviewing this recommendation as part of the current review of the SLA.

Liveability Initiatives of the Government

The Government has implemented a broad suite of initiatives to address specific challenges and enhance the liveability of Victoria. These initiatives also address many of the discussions raised in the VCEC's findings. The Government's primary initiatives that address the central discussion of the VCEC are briefly outlined below, with links for further information.

The Links between Liveability and Competitiveness

The Government notes the VCEC's discussion of the positive relationship between economic competitiveness and liveability.

The Government is committed to improving productivity, competitiveness and income per capita, as they provide the foundation for high standards of living and quality public services. The competitiveness of the Victorian economy and Victoria's industries is becoming increasingly important given the global financial crisis and increased global competition in a range of Victoria's traditional manufacturing industries. The ability of Victoria's industries and workers to compete internationally will determine the future viability of businesses and shape the employment prospects of many Victorian workers.

The Government is committed to promoting the competitiveness of the Victorian economy through a diverse range of initiatives, including maintaining a fiscally responsible budget; promoting increased levels of competition, which stimulate choice, performance and innovation; and introducing programs and policies that support efficiency, liveability, skills and infrastructure development. For instance, the Government is introducing a broad suite of reforms that will enhance the Vocational Education and Training sector by making it more responsive to the needs of students and industry.

In addition, Victoria is an active participant in the Council of Australian Governments' (COAG) seamless national economy reform agenda. This agenda promotes the competitiveness of Victorian businesses by:

- creating a seamless national economy, reducing costs incurred by business in complying with unnecessary and inconsistent regulation across jurisdictions;
- enhancing longer term growth, improving workforce participation and overall labour mobility; and
- expanding Australia's productive capacity over the medium-term through competition reform.

Liveability and Strong Communities

The Government notes the VCEC's discussion of the benefits provided by strong communities.

In the context of population growth, economic change and recovery from natural disasters, the Government recognises some suburbs and towns in Victoria face challenges in developing or redeveloping strong communities. In these areas the Government is helping to strengthen communities through a wide range of strategies including improving transport infrastructure and services through new investment in [Central Activities Districts](#) and the [Transit Cities](#) programs; actively promoting multiculturalism, supporting volunteers and community organisations and a range of projects that directly target disadvantaged communities, such as [Neighbourhood Renewal](#) and [Community Renewal](#).

Liveability in Provincial Victoria and the Regional Cities

The Government notes the VCEC's discussion of the liveability attributes and challenges of provincial Victoria and the regional cities.

The Government agrees with the VCEC that population growth, combined with the changing demographics and the dispersed nature and diversity of provincial Victoria and the regional cities, imposes unique policy challenges. To address these challenges and to further enhance the liveability and growth of provincial Victoria and the regional cities, the Government introduced the *Moving Forward* initiative in 2005. This initiative aims to make provincial Victoria the best place to live, work, invest and raise a family.

The Government built on this initiative in June 2008, by introducing the [Moving Forward: Update – The Next Two Years 2008 to 2010](#), which introduced the Ministerial Taskforce on Regional Planning. This Taskforce's key role is to coordinate the development of a statewide action plan to manage growth and change in provincial Victoria and the development of regional and sub regional plans. The plans are being developed to ensure the future of liveable, sustainable and productive communities in provincial Victoria.

The Government is also currently reviewing some of the cost recovery limitations on local government as part of the review of the Planning and Environment (Fees) Regulations 2000 and the Subdivision (Permit and Certification Fees) Regulations 2000.

Planning, Urban Design and Community Infrastructure

The Government notes the VCEC's discussion of the wide-ranging benefits and costs associated with planning, urban design and community infrastructure.

To capture the social, environmental and economic benefits of good planning and urban design, the Government introduced [Melbourne 2030](#), which provides a strategic framework to manage long-term growth and development in metropolitan Melbourne and the adjoining regions. Melbourne 2030 focuses on improving planning to ensure coordinated, sustainable and liveable planning for the growing diversity of housing and urban needs.

The Government appreciates the importance of regular performance evaluation and reporting and ongoing adaptation to changing circumstances. Therefore, the Government is subjecting *Melbourne 2030* to independent audits every five years. In May 2008, the Government released its response to the first of these audits, [Planning for All of Melbourne](#), which builds on the policy framework set out in *Melbourne 2030* by identifying priority areas for action in the near term.

Transport and Liveability

The Government notes the VCEC's discussion on the importance of transport to liveability.

On 8 December 2008, the Government released the [Victorian Transport Plan](#) (VTP), which announced a broad suite of major initiatives that will significantly increase the capacity of public transport, enhance its appeal, and substantially increase the public transport options for all Victorians, especially those living in the outer suburbs of Melbourne. The extent of the initiatives in the VTP reflects the Government's commitment to improve public transport and address congestion.

Environmental Quality

The Government notes the VCEC's discussion on the importance of Victoria's natural environment to liveability.

The Government is currently developing a whole-of-government climate change strategy through the Victorian Climate Change Green Paper for release in 2009, with a White Paper to be released after consultation in late 2009. In addition, the Government has been working closely with the Commonwealth and other state and territory Governments to develop an effective and efficient national carbon emissions reduction program.

Furthermore, the Government has commissioned the VCEC to inquire into the complexities associated with environmental regulations in Victoria. The draft report is available on the [VCEC's website](#). The VCEC is expected to deliver its final report on environmental regulation to the Treasurer by 23 July 2009.

Information and Communication Technology

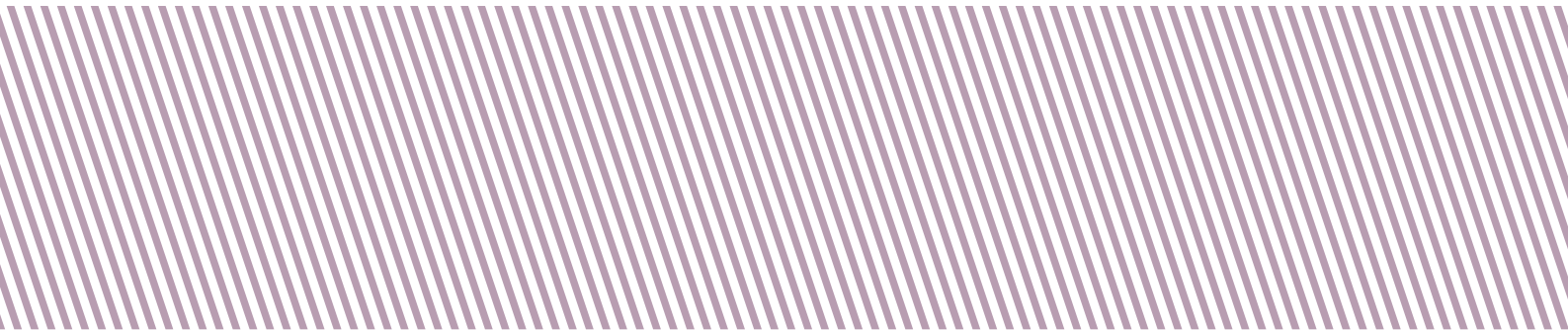
The Government notes the VCEC's discussion of the contribution of information and communication technology (ICT) to liveability, through enhancing individual and community connectedness, knowledge and skill transfer, and economic competitiveness.

The Government will continue to develop and implement a wide range of projects to enhance Victoria's ICT infrastructure, skills and access. In addition, the Government will work closely with the Commonwealth Government, which has principal

responsibility for the regulation of broadband services, to ensure real improvements in broadband infrastructure, access and services for all Victorians.

To help identify new technologies and applications, the Government is helping to establish the National ICT Association's Victorian Research Laboratory at the University of Melbourne. This laboratory will drive research and development of innovative ICT products and services. It will create 160 positions for researchers to undertake world-leading research on ICT as an enabling technology.

In addition, as part of *Building Our Industries for the Future*, the Government committed to a package of initiatives aimed at boosting the number and capability of skilled ICT workers in Victoria. The package targets four key areas of activity: attracting young people to ICT opportunities through careers promotion; funding assistance to universities and TAFE for industry placements; workforce development for women and skilled migrants; and data collection and intelligence on skills supply and demand to guide skills development policies and priorities.



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