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Access Economics

Regional Cities Victoria
Liveability Index
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Image sources: City of Ballarat, City of Shepparton, City of Wodonga, Rural City of Horsham, Rural City of Wangaratta

Background

Regional Cities Victoria (RCV) is an alliance of the 10 largest regional Councils in Victoria. It is dedicated to "building a sustainable Victoria through regional growth", via policy development and implementation in partnership with State and Federal Governments. Comprising of mayors and CEOs from the largest Councils in regional Victoria, RCV is recognised as an advocacy organisation for development in regional Victoria.

Regional cities are the heart of regional Victoria, with in excess of half a million residents across the ten largest cities that form RCV. As focal points of economic and social activity, regional cities provide residents with access to higher order amenities, services and jobs.

The continued ability of regional cities to attract and retain residents can only happen if they are desirable places to live in/near, or in other words, when they score highly on liveability.

The objective of this project is to develop a data-driven index of "liveability" – a brief inspired by initial work done for the City of Bendigo in November 2014. The thinking, outlined overleaf, takes into account the Bendigo study, previous work by Deloitte on liveability, and consultations with various member Councils as part of this brief.

It is anticipated that an objective liveability index, spanning multiple relevant criteria, can be used by member councils to highlight the strengths of each of the 10 member cities, to attract and retain residents to live, work and play there. It may also be used to identify and understand potential opportunities for member cities to improve on existing liveability performance.

Developing an index of liveability

Liveability of a "place" is a multidimensional measure covering various themes which matter to individuals and communities. This concept is subjective, and there is no one set definition of what liveability is, or how it can be measured. Common across various frameworks (see for example the EIU's Quality of Life Index, Mercer's Quality of Living Survey, or Deloitte's Liveable Melbourne and Sydney studies), is an attempt to measure the availability of features valued by residents.

In developing an index of liveability that is robust across Victoria, this research attempts to measure aspects of liveability that are relevant across all localities.

The framework is broadly structured as follows:

- A full range of **indicators** are considered, looking at aspects that contribute to a place-based measure of liveability. Selected indicators are subjected to our data selection criteria, overleaf, and those that do not pass are excluded from the Index. Building on our previous work and workshops, 24 indicators are selected.

- Indicators are grouped into 7 **themes**, encompassing the key aspects of liveability. These include for example "Physical Capital" and "Local Amenities".

- Themes comprise between one and six indicators. For example, the theme "Physical Capital" encompasses physical (rail, road, air) and digital (mobile, broadband) infrastructure.

- A **metric** is developed for each indicator – or in other words, how each indicator was measured. Each metric is underpinned by one (or more) publicly available datasets, available across the 10 RCV Local Government Areas (LGAs), Greater Melbourne (or the LGAs that comprise it), and Victoria.

Data is collected for each of the 10 Councils that comprise RCV, and results are summarised by theme and assessed relative to Greater Melbourne as a benchmark. The performance of each LGA for each indicator is also ranked, and assessed relative to Greater Melbourne.

Data selection criteria

To ensure consistency and robustness of the underlying datasets and metrics, a set of data selection criteria are applied as a yardstick for inclusion in the Index. These are:

Data availability and quality

In order for a metric to satisfy **data availability and quality**, the data set needs to be:

- **Current/timely** – Relatively recent (broadly within the last 5 years).

- **Granular** – Data is available at LGA level or smaller.

- **Complete** – Coverage across a minimum of the 10 RCV LGAs, Greater Melbourne and Victoria, and ideally covering all 79 LGAs in Victoria.

- **Fit-for purpose** – Appropriate to inform the indicator which is to be measured.

- **Malleable** – Raw data can be adapted/transformed if required.

Place, not person

Ideally the metric should be **place-centric**, focusing on the attributes of each LGA as they contribute to each locality's desirability as a good place to live. Also included are measures of societal cohesion (e.g. under the social capital theme), as these relate to the aggregate attitudes of each local community.

On this measure, indicators/metrics such as "demographic diversity" are not included.

Reflects preferences of the majority

A selected metric should **reflect the preferences of the majority**. Specifically, it should be valued by the majority of individuals, and there should be broad agreement on whether the metric is good or bad for liveability.

For example – a general consensus exists around the accessibility of a place – e.g. higher accessibility, or lower travel times between where residents' live/work/play is unarguably a preference of residents.

Conversely, items such as substantial rainfall may be positive for some residents, but negative for others.

Sufficient variation

As the Index is aimed at illustrating differences between LGAs, and broader Victoria, each metric should be underpinned by datasets which have **sufficient variation**. That is, data in each selected dataset needs to vary sufficiently across LGAs in order for its inclusion to be meaningful.

For example, while "political stability" is arguably important to liveability, we do not expect sufficient variation in this indicator across Victoria (or indeed, Australia), and hence exclude this indicator from the Index.
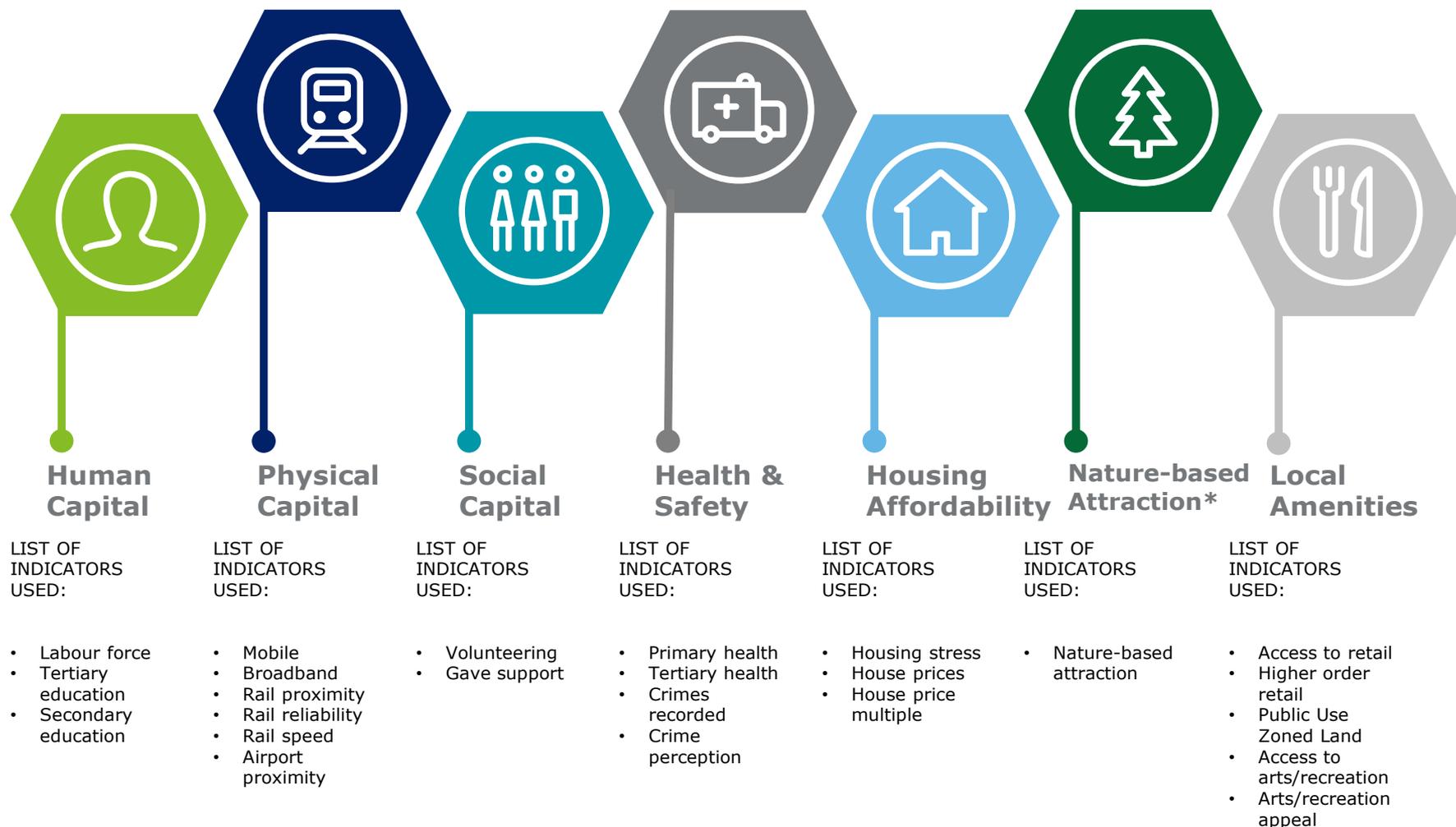
Indicators considered but not included

The criteria outlined on the previous page underpin the Index. Some examples of indicators which were considered but not included are outlined below.

- "Receive support", or the percentage of residents aged 18 and above who felt like they could receive support from non-family members in times of crisis. This indicator failed the fourth test, "sufficient variation", where values for all Councils ranged between 94% and 96%.

- "Proximity to highway" – which fails the third test "reflects preferences of the majority". In principle closer proximity is better, if it facilitates shorter travel times, however some residents may prefer a highway that bypasses their town.

- "Perennial water body", the percentage of the Local Government Area (LGA) which is a perennial water body. This failed the first test – "Data availability and quality", where some sense checking of the results revealed potential data gaps for key perennial lakes and rivers.

- "Proximity to national park", which fails the third test "sufficient variation". Although this distinguishes RCV from many Melbourne councils, most RCV Councils are proximate to national parks, and this measure was not considered instructive.

- "Presence of major stadia" was initially considered and quantified, but ultimately deemed to fail the tests of data quality and sufficient variation.

- "Provision of key cultural facilities" was initially considered, reflecting the provision of key cultural facilities (e.g. museum, theatre, cultural centre) on a per capita basis. Data was not available, hence this metric was not pursued.

Themes and underlying indicators

7 themes, 24 indicators

Human Capital

LIST OF INDICATORS USED:

- Labour force
- Tertiary education
- Secondary education

Physical Capital

LIST OF INDICATORS USED:

- Mobile
- Broadband
- Rail proximity
- Rail reliability
- Rail speed
- Airport proximity

Social Capital

LIST OF INDICATORS USED:

- Volunteering
- Gave support

Health & Safety

LIST OF INDICATORS USED:

- Primary health
- Tertiary health
- Crimes recorded
- Crime perception

Housing Affordability

LIST OF INDICATORS USED:

- Housing stress
- House prices
- House price multiple

Nature-based Attraction*

LIST OF INDICATORS USED:

- Nature-based attraction

Local Amenities

LIST OF INDICATORS USED:

- Access to retail
- Higher order retail
- Public Use Zoned Land
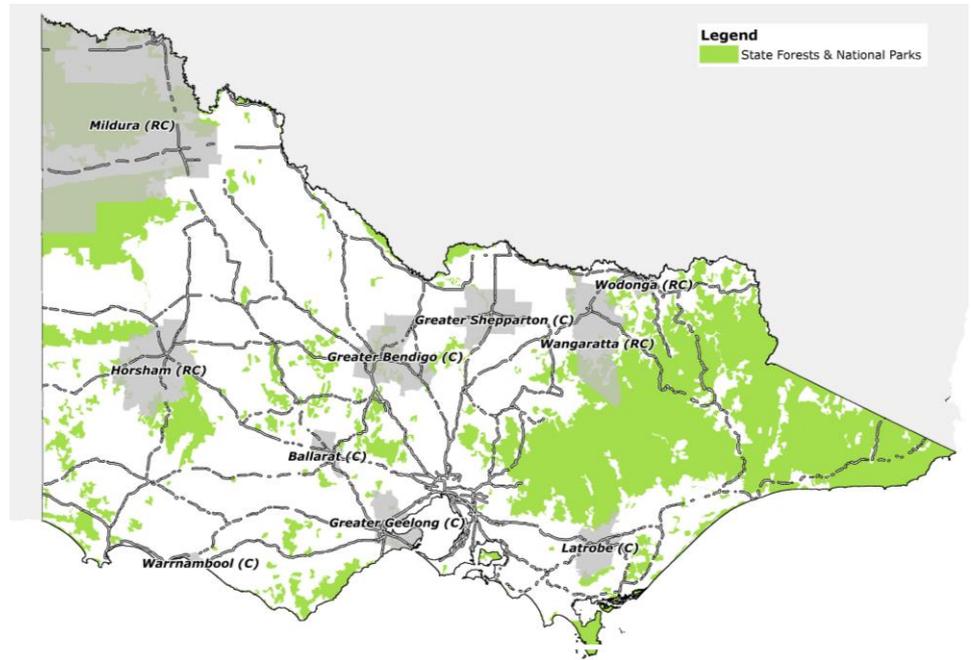- Access to arts/recreation
- Arts/recreation appeal

*Includes tourists who visit because of outdoor/nature, active outdoor/sporting participation (e.g. surfing and skiing), and for local attractions including wineries.

RCV average

The ten cities that form Regional Cities Victoria (RCV) are the largest ten regional Councils, and they account for around half of Victoria's regional population.

Overall, the RCV councils outperform Melbourne Councils on half the themes.

Human Capital

Local Amenities

Physical Capital

Inside Blue Line: Worse than Melbourne

Social Capital

Nature-based Attraction

Outside Blue Line: Better than Melbourne

Housing Affordability

Health and Safety

—— Greater Melbourne —●— RCV average

Estimated resident population (ERP, 2016)	Population density (ERP/LGA sq.km)	% urban population
770,227	18.8	88.7%

Mildura (RC)
Wodonga (RC)
Greater Shepparton (C)
Wangaratta (RC)
Greater Bendigo (C)
Horsham (RC)
Ballarat (C)
Greater Geelong (C)
Latrobe (C)
Warrnambool (C)

RCV Councils are particularly strong in Housing Affordability due to lower house prices. Nature-based Attraction is also strong, reflecting regional cities' substantial endowments of national parks.
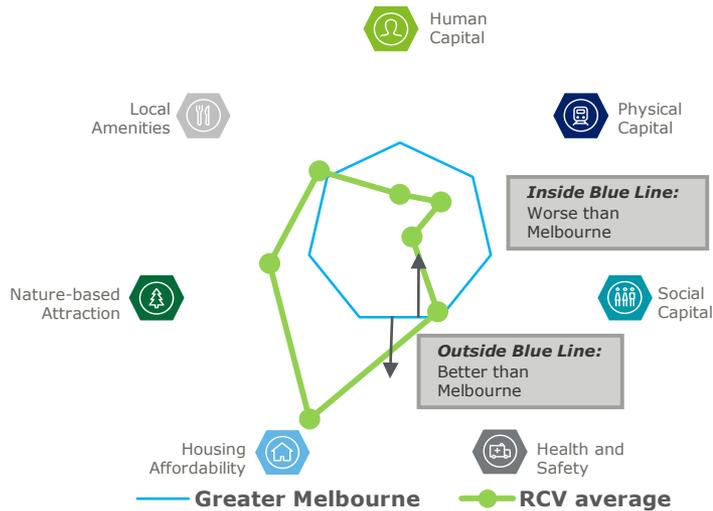
Typically the service hub for a broader population, regional Victorian cities generally have good per capita provision of primary and tertiary health services. However, crime levels per capita are, in the majority of cities, higher than Melbourne as an average.

Local Amenities are a relative strength for the RCV Councils. Most have a substantial provision of parks and recreational space, more than the metropolitan Melbourne average.

There are opportunities for improvement across the Human Capital theme, driven by lower tertiary education participation rates compared to the Melbourne average.

Under the Physical Capital theme, rail reliability across Councils is generally poorer than in Melbourne, and while mobile and broadband services on average compare favourably to Melbourne, there is significant variability between cities.

Social Capital is mixed – the rate of volunteering in regional cities is generally higher than in metropolitan Melbourne. However, regional city residents are less likely to offer support to non-immediate family members.

Warrnambool

"A cosmopolitan city by the sea"

| | Greater Melbourne | Warrnambool (C) |

The City of Warrnambool marks the western end of the Great Ocean Road, a major tourist destination in Victoria.

Home to 34,000 residents, Warrnambool scores equal to, or higher than, Melbourne on six of seven themes, the most of any RCV Councils. Warrnambool scores above average in its housing affordability, with only 18.5% of low-income residents spending 30% or more of their income on housing. This may partially reflect Council's housing affordability program, funded since 2013.

In regards to Health and Safety, the region is well provisioned in terms of primary and tertiary health services per capita. It also reports a level of criminal offences below the Greater Melbourne and RCV benchmarks.

It excels in its provision of nature-based attraction(s) – evidenced by drawing a substantial number of nature-based tourists relatively to its size. This is likely in large part due to its location and proximate natural features.

Opportunities exist to improve on mobile and broadband coverage. Rail reliability over the 12 months to April 2017 is also poor (52.9% of services delivered on-time) and speed of rail services is lower than the RCV council average. This reflects speed restrictions and a $10 million level crossing upgrade program slated for completion in December 2017.

Warrnambool has substantial provision of Local Amenities, measured by higher than average levels of access to retail and a higher amount of parks and recreational space relative to other RCV Councils.

Estimated resident population (ERP, 2016)	Population density (ERP/LGA sq.km)	% urban population
34,245	283.1	96.6%