



## Regional Opportunities Neglected

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The Victorian Regional Chamber Alliance (VRCA) is calling for action to address urgent issues continuing to hinder the rebound and development of business across regional Victoria.

“While initiatives to stimulate demand and consumer activity are both needed and welcome, in some areas the full benefits are not being realised because businesses are not able to meet the demand”, said a spokesperson for the VRCA.

“While individual circumstances and details vary between locations, our members are continuing to report that widespread staff shortages are holding back opportunities to do business, and shortages of affordable housing are amplifying the difficulties in attracting new staff”, they continued.

In response to the ongoing staff shortages, many businesses had become more creative in adapting their operations to reduce the barriers making workforce entry difficult for some people. “Noting that lack of available and affordable childcare is a serious impediment for many, some manufacturers had been able to restructure production operations to provide shifts fitted around the school day, is the sort of thing we’ve been hearing about”, the spokesperson said.

While business flexibility is important, the VRCA has identified other changes that will assist in increasing workforce participation, and which would address the urgency of the crisis:

- Provide ongoing incentives for those on Aged-pension and other Government benefits to increase work hours without loss of benefits
- Increase access to affordable childcare through targeted rebates and increased provision
- Increase the current time period applying to Work and Holiday Visas without needing to reapply - and extend eligibility to these visa types to people over 30.

Availability of appropriate housing remains a constraint in many areas. Whilst there has been a slowing of movement from metropolitan to regional areas (possibly due to housing shortages!), most areas have continued to see significant rises in residential rental costs, further reducing affordability and constraining worker mobility.

While it is not yet clear what impact the current rising interest rate environment will have on house prices and the balance between owner-occupied and investment properties, there is evidence that there has been a reallocation in some areas of long-term rental accommodation into short-stay holiday accommodation. The VRCA understands that some Local Government Areas are investigating the use of rating mechanisms to discourage this practice and VRCA is calling on the State Government to provide local authorities with the ability to regulate how rental accommodation is used.

In addition, looking at Stamp Duty concessions for empty-nesters seeking to down-size their residential property may assist in increasing turnover of family-sized properties, and is something that the VRCA believe should be investigated by the State Government.

“Businesses that are members of all of our Regional Chambers are excited about the opportunities in our regional areas, and the long term plans now being developed to support their growth and build a stronger State and country. To get that process started though, we are keen to work with all levels of Government as a priority, as there are some things that we must do right now”, the VRCA spokesperson concluded.

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