20 August 2012

Sean Coley
Executive Officer
Economic Development and Infrastructure Committee
Parliament of Victoria
Parliament House, Spring Street
EAST MELBOURNE VIC 3002

Dear Mr Coley

Inquiry into local economic development initiatives in Victoria

Thank you for your letter dated 20 July 2012 requesting submissions for the Inquiry into local economic development initiatives in Victoria.

Darebin City Council plays a significant role in economic development. Darebin provided $140 million worth of infrastructure over the past 5 years including important upgrades to the Tram Route 86, Precinct developments including structure plan development and the Lancaster Gate Community Centre. These projects could not have been achieved without additional funding and partnerships from State Government.

Darebin also has a major role in planning and building approvals, provides 1200 direct jobs and management of over $75 million dollars worth of services in 2012/13 to the Darebin community. These functions alone are vital to business and community success in Darebin.

The cost of land prices, the high Australian dollar and improved access to cheaper imports has led to the cost of locally produced goods and services increasing significantly. In Darebin’s industrial areas, manufacturing in particular has been declining in terms of both the number and proportion of jobs it provides.

Due to this decline, the need for low skilled employees has decreased in Darebin and the need to assist businesses to manage the transition to a more knowledge and service based economy has increased. Council currently works in conjunction with the Department of Business and Innovation in an informal manner to coordinate visitations to some of Darebin’s larger employers. A more formal information sharing process between State and Local Governments would ensure that businesses are connected to State Government support and also provide access to local programs and initiatives.

In March 2012, Darebin adopted the Darebin Business Development and Employment Strategy 2012 – 2015. The Strategy outlines a framework and clarifies Council’s role in providing economic development opportunities, creating the right conditions and environment for business success and increasing local employment opportunities. The Strategy was developed to address issues raised during the consultations with businesses.
The Strategy is seen as an opportunity to facilitate sustainable economic growth and implement proactive actions that will improve employment, investment and business performance across Darebin over the long term. It includes concentrating Council’s actions in five key strategic directions: Marketing; Employment and Skills; Business and Industry Development; Business Support and Environmental Sustainability.

Council has made a commitment to create 1000 jobs in three years by creating a positive business environment and improving Council support and services.

Darebin has a culturally diverse community and through the Strategy has highlighted the importance of supporting and promoting programs and initiatives that assist the employment needs of various groups within the community. Council’s support for social inclusion programs will assist these groups to become workplace ready and is an essential part of the Strategy. It is also important to note that the access to basic business information in a variety of languages is not readily available. This could be a project which the State Government may choose to place additional resources.

One of the key issues raised by businesses was the need to improve the capability of local businesses to recruit locally. Council aims to provide targeted support services including linkages for local businesses to relevant employment networks; and programs that assist businesses with workforce retention, succession and future planning. Additional programs would be welcomed by businesses in this area.

Council is also supporting pathways and transition programs and promotes school-industry engagement initiatives that provide youth with the opportunity to have positive education, training and employment outcomes in Darebin. To assist with the facilitation of these initiatives Council employs an Industry Development and Employment Officer.

Council also addresses barriers to economic development within the Strategy including the need for a business friendly and supportive environment, efficient business services, innovative events and the streamlining and reduction of red tape for businesses.

The ability for businesses to access finance, the lack of funding, resources and flexibility for Council to tailor services to all of Darebin’s business needs and funding of initiatives outlined in the Strategy remain obstacles.

It is important to also discuss the barriers to economic development from a planning perspective and many of the following issues raised may not be specific to Darebin.

- The planning scheme has not kept abreast of changes (or opportunities) in the economic base of Darebin. The time taken to prepare strategies and then introduce planning scheme amendments has taken years. Proactive and progressive strategies can increase the longevity of any policies introduced.

- The existing planning zones and their current application in Darebin, in particular the industrial areas, has not actively encouraged significant new and innovative investment. A new proactive and progressive strategy is being prepared to address this issue.

- To date there has been a reluctance to rezone industrial areas to protect manufacturing, which is an industry shifting offshore.

- Industrial zones limit office space to maximum 500m2.
Planning permit requirements in industrial zones may not actively encourage new and innovative business types, rather they seek to protect traditional industrial sectors which are no longer present or cannot remain due to lack of infrastructure, high costs and the Australian exchange rate.

Darebin is also currently preparing an Economic Land Use Strategy to identify the future roles of various industrial and business areas having regard to the new economic opportunities. This will enable Council to implement the new zone regime and also respond to the shifting economic base. It seeks to be proactive and progressive in terms of protecting employment generating uses.

Darebin City Council has been advocating for reforms to the Victorian Planning System and congratulates the Victorian Government on the proposed reforms. These zones will potentially reduce planning permit requirements and increase flexibility in a range of commercial and industrial zones which reduce red tape for businesses.

Darebin is currently delivering a range of initiatives that deliver economic outcomes within the City. These programs are innovative, achieving results and are well received by the local business community and include:

- Darebin is assisting the existing manufacturers by supporting the Australian Made Australian Grown campaign. In July 2012, Darebin Council became the first Council to undertake a localised version of the 'Australian Made in Darebin' campaign and a logo was launched. This local version of the familiar green triangle of the Australian Made/Australian Grown campaign promotes reinvestment in the local community and will be displayed by local businesses and manufacturers involved in the campaign.

- Darebin and the City of Melbourne are the only Councils that undertake a municipal wide Census of Land Use and Employment (CLUE). The data collected from all commercial areas has proven to be a valuable tool which is used to analyse trends in employment and industries. CLUE is assisting Council to prepare structure plans, a draft Housing Strategy and an Economic Land Use Review in 2012. In the future, CLUE will also monitor the performance of business and industry. A Memorandum of Understanding has been signed between Darebin and the Department of Community Planning and Development (DPCD), so that DPCD are securely hosting the survey data online.

- A trial program to reduce the number of vacant shops has been initiated. 'Active Spaces in Darebin' has allowed for relationships to be built between land owners and Council. It has also allowed for collaborations between vacant shop owners, real estate agents, traders associations, community, local artists and various units within Council.

Programs such as the Victorian Government's $6 million Streetlife are welcomed by Council to inject new life into new and small retail business strips. The program will give much needed help to businesses to develop marketing strategies and improve online and social media capacity.

- Darebin conducted a one year trial to create wireless internet hotspots in Reservoir in 2011/12. The project was designed to demonstrate the potential for Darebin to establish an affordable wireless broadband network that will enable internet access for businesses and residents in the Reservoir area. Darebin is
one of the first Victorian Councils to undertake such an initiative. The project has been undertaken in partnership with Infoxchange, a leading not for profit provider of community internet access services. The positive results have meant that Council is intending to extend the free Wi-Fi to High Street Northcote precinct in 2012/13.

- Darebin supports two of Australia's most successful business incubators, being Darebin Enterprise Centre Ltd (DECL) in Alphington and artsDECL in Northcote. artsDECL is a highly successful arts and creative business incubator which commenced operations in 2010. The prime objective of these business incubators is to support start-up and growing businesses, offering affordable space and intensive support and mentoring.

- In conjunction with Small Business Victoria, Council facilitated the Small Mobile Business Centre to be hosted in Reservoir & Bundoora (2011) and Northcote & Preston (2012). This valuable resource offered by State Government gives access to all business to free mentoring services. A more extensive program which enables additional mentoring sessions to be offered would be welcomed by the business community.

- Darebin's Light$mart program works with local businesses and organisations of all sizes to help them reduce their energy bills, energy use and greenhouse gas emissions. Businesses and organisations are supported to identify opportunities to take action on upgrading lights to smarter and more efficient technologies, plus adopt smarter behaviors when it comes to energy consumption. Participating businesses and organisations are acknowledged and promoted for their efforts. This program and the case studies generated will be used as best practice examples by Sustainability Victoria. Also, the Cities of Hume, Melbourne and Moreland are considering delivering a similar program.

FUTURE

In Industrial areas we believe there is an opportunity for the State Government to partner with Local Government and explore options on how these areas could be re-planned to deliver stronger employment/investment outcomes and supported with the infrastructure required to enable a transition to more intensive forms of development.

We also believe that there is an opportunity for Darebin City Council to work more constructively with the State Government and La Trobe University to explore options for the development of its surplus land in a manner that promotes activity which has synergies for the University and fosters employment and investment opportunities in Melbourne's North. The Universities have to accommodate some significant funding challenges and a whole of Government approach is required to ensure their presence and land portfolio is utilised in a way that maximises social and economic outcomes.

I have attached a copy of the Business Development and Employment Strategy to highlight the important work that Darebin is undertaking to assist business. If you have any queries regarding this submission please contact Ellie Mandritis, Acting Manager, Economic Development and Civic Compliance via e-mail at [redacted] or telephone [redacted]

Yours sincerely

RASIAH DEV
Chief Executive