Dear Mr Coley

Request for submission: Inquiry into local economic development initiatives in Victoria

I write in response to the invitation from Mr Neale Burgess MP to make a submission to the Economic Development and Infrastructure Committee (EDIC).

City Of Stonnington Business Snapshot

The City of Stonnington is home to 15,700+ businesses. Several stand-alone institutions are major employers attracting and nurturing other related businesses. These include Swinburne University of Technology, Holmesglen TAFE and Cabrini Hospital.

Professional, Scientific and Technical Services are strongly represented in Stonnington’s business profile due to Stonnington’s proximity to the CBD. This business classification represents a broad range of small and medium size businesses across a range of industries including architecture, engineering, law, accounting, advertising, market research and management consultancy services. This sector represents something of a hidden component of the economy as businesses are typically located throughout the municipality. Revenue generated by Professional, Scientific and Technical Services is in excess of $1.2 billion, followed by the Rental, Hiring and Real Estate sector ($1 billion.)

Retail is the most visible sector with a large network of principal, major and local shopping areas across Stonnington including Chapel Street, Toorak Road, High Street, Glenferrie Road and Chadstone. Retail remains pivotal to the city’s prosperity and local amenity. Retail provides nearly a quarter of all jobs and its prominence helps drive the hospitality and tourism sectors as well as Stonnington’s other businesses.
The three most common occupations in Stonnington are professionals, managers and administrative workers. Around 22 per cent of Stonnington workers are employed locally.

**Role Of Local Government In Economic Development**

The City of Stonnington has a key role in helping strengthen the capability of existing and new businesses, building partnerships with other levels of government and agencies and providing an environment where businesses can thrive.

The City of Stonnington acknowledges that market forces (global, national and regional) drive investment and development. Council is also conscious that State and Federal Governments provide advice and assistance to business; however Council is committed to playing an active role in ensuring the economic wellbeing of the municipality.

Our role is to provide leadership on the strategic direction of economic development in the City of Stonnington. This can be achieved through articulating a clear vision for the economic health of the city and working with businesses at all levels to achieve that goal.

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The role of State Government within Economic Development has been not been clearly articulated to date. There is opportunity for the State Government to increase its focus on the mature economies of inner Melbourne and further strengthen the professional services and retail sectors which provide a substantial employment.

**Economic Development Strategy (EDS) 2012 – 2016**

The City of Stonnington has recently adopted an Economic Development Strategy (EDS) 2012 – 2016. A copy has been included and constitutes part of this submission. The purpose of the Economic Development Strategy is to set the strategic vision for next five years 2012–2016 and provide a blueprint to guide the City’s economic development and prosperity.

In formulating the Economic Development Strategy, Council has been guided by a number of key policy documents and initiatives including the Council Plan, Inner Melbourne Action Plan, Municipal Strategic Statement, Chapel Vision, Arts and Cultural Strategy, Public Realm Strategy and Southern Melbourne Plan – Regional Development Australia.

Prosperity has been identified as a key pillar in Council Plan 2009–2013. The strategic objective is that Stonnington will be a prosperous community and a premier tourist and retail destination with thriving local businesses and an entrepreneurial spirit.

The vision of the Economic Development Strategy is to embrace Stonnington’s mature economy and support a diverse and resilient business community which is intrinsically linked to the sustainability, prosperity and wellbeing of the wider community.
The Strategic Themes of the Economic Development Strategy are:

- Business Support
- Thriving Precincts
- Destination Marketing and Development
- Business Development for the Creative City

Strategies which develop the themes have been identified as follows:

- To build the capacity, skills and resilience of the business community.
- To maintain attractive and vibrant precincts which are embraced by residents and visitors and where businesses thrive.
- To continue to attract visitors to Stonnington, maximise the quality of the visitor experience and to grow visitor expenditure.
- To attract and promote the growth and development of creative industries in our City.

There are several actions in the Economic Development Strategy which involve land use and future economic growth. In delivering those actions, there is the opportunity to work collaboratively with the State Government so the result provides overall economic benefit to the community including businesses, residents, visitors and employees.

A collaborative approach would involve the State Government’s commitment to a streamlined planning process and prompt approvals of permanent planning controls.

Specific actions identified in the EDS where the State Government could assist include:

- Review land use with a focus on future economic growth and identify future demand for land use
- Review the role and hierarchy of the activity centres and their preferred future land use balance
- Support the review of the local activity centres currently zoned Business 2 (office dominant) with a view to their rezoning to Business1 (shop dominant) where appropriate to reflect their preferred local centre role.
- Support the development of Structure Plans for Glenferrie Road, Malvern, High Street Armadale, Chadstone and Glen Iris to guide future use and development of these centres.
- Review, implement and monitor Structure Plans for Chapel Street and Toorak Road.

While City of Stonnington awaits the outcome of the Metropolitan Planning Strategy and the State Government proposed reformed planning zones to be introduced into Victoria’s Planning System, we request the State Government undertake an economic analysis of the impact of proposed changes to commercial zones.
Improved public transport and integrated bicycle networks are fundamental of the ongoing viability of economic precincts. The provision of transport infrastructure lies with the State Government and Council recognises the opportunity to work with the State Government on upgrading infrastructure and improving transport services in the municipality.

The concentration of creative industries in inner Melbourne has been identified as a competitive advantage for future economic growth. The EDS identifies a number of actions to support this including:

- Identify potential spaces for incubators for creative industries
- Leverage opportunities provided by Federal and State Governments to support creative industries

It would be opportune for the State Government to work collaboratively with the City of Stonnington e.g. when Government buildings become vacant or no longer fit for purpose, consult with Council on potential uses including creating business incubators for creative industries.

**Business Assistance**

The City of Stonnington recognises that Small Business Victoria (SBV) provides initiatives to assist business in obtaining practical and useful business knowledge and skills. It should be noted that while SBV provides speakers and workbooks, SBV relies on Council to provide staff, physical space and take responsibility for running the seminars.

Council requests SBV review its seminar topics to ensure they are relevant, practical and reflect a contemporary business environment. The current delivery model is labour intensive for Council. It is recommended that SBV provide flexible models involving online tutorials and webinars.

There is often duplication in educational offerings, data collection and publications. Improved communication between State and Local Government would alleviate this.

Thank you for the opportunity to make this submission.

Yours sincerely

Karen Watson
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