31 August 2012

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

Dear Sean

Re: Inquiry into issues relating to local economic development initiatives in Victoria

Please find attached a submission from Melton Shire Council in relation to the Victorian Government’s Economic Development and Infrastructure Committee’s inquiry into issues relating to local economic development initiatives in Victoria.

Melton Shire Council welcomes this inquiry and would welcome the opportunity to present to the committee. Melton Shire Council has, for many years, been working to improve access to employment for our rapidly growing population base.

As you are well aware Melton Shire is one of Victoria’s fastest growing municipalities however there is a severe shortage of local employment. As highlighted in our submission for every three resident workers in the white collar sector Melton Shire has one job and for every 3.7 resident workers in the blue collar sector Melton Shire has one job.

Council, and its partners, undertake a range of local initiatives and these have been touched on briefly in the submission. Local government however is in need of support and guidance from the Victorian Government around the future direction of the Victorian Economy.

Local government is also in dire need of support from the Victorian Government in the provision of infrastructure which will help stimulate private investment. As our population continues to develop local government cannot keep pace with the infrastructure gap.

If you have any queries about Council’s Economic Development activities and this submission please do not hesitate to contact Council’s Manager Business Growth and Sustainability, Brett Luxford, on [contact details removed] or email [contact details removed].

We look forward to the outcome of this inquiry.

Yours sincerely

[Name]
General Manager Planning and Development

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MELTON SHIRE COUNCIL

SUBMISSION TO THE

ECONOMIC DEVELOPMENT AND INFRASTRUCTURE COMMITTEE

INQUIRY INTO LOCAL ECONOMIC DEVELOPMENT INITIATIVES IN VICTORIA
Introduction & Context

The Shire of Melton is located approximately 19 kilometres west of Melbourne and is one of Melbourne’s designated growth corridors as detailed in the Victorian Government’s Melbourne @ 5 million strategy. Melbourne’s suburban development has traditionally been concentrated in the east and south east, this has changed—environmental constraints have imposed limits on changes to the Urban Growth Boundary in the east and south east so the majority of future suburban growth is going into Melbourne’s western and northern growth corridors.

The western region of Melbourne is the fastest growing region in Australia and ‘greenfield’ development in the growth corridors has played a key role in accommodating this growth. The recently released Growth Corridor Plans provides for future population growth of between 300,000 and 500,000 in the western growth corridor over the next 20+ years. Of the 38,058 hectares designated in the Urban Growth Zones around Melbourne the highest number is allocated to the Shire of Melton (9,726ha).

The recent and projected growth will ensure that the Shire of Melton will remain among the fastest growing local government areas in Australia over the next decade and beyond. However this growth has not been matched by a corresponding growth in employment opportunities for our burgeoning population.

Though Shire of Melton sits in the fastest growing region in the country it has the worst ratio of jobs to resident worker of all of Melbourne’s growth areas (See figure 1). The Shire of Melton has 1 local job for every three workers in the white collar sector and 1 local job for every 3.7 workers in the blue collar sector. This is well below any other growth area in Melbourne.

![Figure 1: Resident worker to local jobs ratio (all of Melbourne’s growth areas)](source: Growth Areas Authority analysis of ABS 2006 Census Data)

This disparity has caused significant social, economic and environmental strain on the Melton community and the broader western region of Melbourne. Melton Shire Council has been working
proactively with the Victorian Government, private industry and the not for profit sector to develop solutions to increase the rate of job creation in the Shire and broader Western region.

The Shire of Melton has a number of residential growth fronts both in Melton and further east towards Caroline Springs. Within the township of Melton alone there are substantial new estates at Arnolds Creek, Waterford, Botanica Springs, Eynesbury, Melton North and Atherstone (Toolern) accounting for in excess of 26,000 new homes.

Planning for the Toolern development has been underway for some time. The Precinct Structure Plan has been completed and construction has now commenced. It is anticipated that, in the next 15 years, **20,000 new homes** will be constructed in Toolern for an expected **60,000 residents**. (Over recent years the Shire's experience has been that the actual rate of development has generally outpaced predictions).

The three tiers of government all have key roles to play in growing and developing economies to support this residential growth. This submission will firstly highlight some of the programs/initiatives that Melton Shire Council is undertaking at the local level that influence the economy and the creation of local employment.

**Economic development programs being carried out by local government in Melton Shire**

The Business Growth and Sustainability team within the Melton Shire Council is responsible for coordinating Council's response to economic development at the local and regional level. The Business Growth and Sustainability Department encompasses two teams; Environmental Services (7 staff) and Economic Development and Tourism (4.5 staff). The Economic Development and Tourism team undertake most of the Economic Development programs across Council and are also responsible for running the Melton Visitor Information Centre.

The range of programs being offered by Council's Economic Development and Tourism team include;

- **Business facilitation** – Council staff meet with new prospective business entrepreneurs to discuss their business idea and to provide advice and guidance. Staff assist with the development of business plans and guide new business owners to available courses and training programs. On average Council staff will speak with 2-3 people per week

- **Site analysis** – Business owners will often approach Council to seek support to find a site to set up a new business or relocate a business to the municipality. Council staff will discuss the requirements of the business and work with the business owners to try to identify appropriate sites. This will also involve liaising with a range of other departments across Council including; Planning, Environmental Health, Building and Community Development

- **Business Visitation** – One of the keys to local economic development is understanding the requirements of local businesses. A large percentage of business growth, and therefore employment growth, will come from businesses already located within the shire. Council’s Economic Development staff have a target of visiting more than 100 local businesses each year with the aim of gathering local intelligence so that programs and initiatives can be developed or modified to suit the needs of local business.

- **Business training** – Council undertakes training for local businesses, or prospective business owners, through Victorian Government's Small business program. Melton Shire Council
strongly supports this approach and many local business owners have attended multiple training sessions and developed skills to ensure their businesses are more viable.

- **Business Events and Networking** — In addition to the business training Council’s Business Growth and Sustainability team undertake events to bring businesses together to explore opportunities to work together. An example of this is the two business breakfasts that Council runs each year.

- **Business Awards** — The Melton Shire Business Excellence Awards have been run annually by Council since 2007. Businesses nominate in a range of categories and are assessed by independent judges. The finalists are then invited to a gala awards dinner which is held at a local venue.

- **Shire Promotion** — Melton Shire Council undertakes a range of advertising in industry journals, mainstream media and tourism publications to promote the shire as a place to live, work and play. The promotion is aimed at broad markets to influence investment, residential and recreation decisions.

- **Advocacy** — Melton Shire Council Councillors and staff, including the Chief Executive Officer, are constantly undertaking advocacy to improve the provision of infrastructure in the municipality and opportunities for businesses and to attract investment in employment. The link between good transport and communications infrastructure is well documented and Councils are unable to supply the needed infrastructure without the support of other tiers of government.

- **Regional Development** — Councillors and Council officers participate on boards of regional organisations and work with regional groups to assist with influencing the development of Western Melbourne. Council participates in groups such as Western Melbourne Tourism, LeadWest, Western Alliance for Greenhouse Action (WAGA) and Brimbank/Melton LLN. All of these groups are assisting to create a dynamic and active economy in the Melbourne’ West.

- **Strategic Planning** — An activity that is paramount to providing opportunities to grow the local economy is strategic land use planning. Council’s long term plans take into account the need to develop opportunities to create employment. Ensuring land is appropriately located, zoned, serviced and protected for various type of employment uses allows for certainty in the market and allows the private sector the opportunity assess investment options.

- **Business Group Support** — Melton Shire Council assisted the business community to set up the Greater Melton Chamber of Commerce. Council also undertook activities such as administrative support, membership and treasurer duties until the group was in a position to undertake these activities for themself. Council continues to work closely with the chamber and other groups by providing subsidised training for chamber members and in partnering the chamber with other activities.

- **Tourism Development** — Attracting visitors to the local area is a key activity that Council undertakes. This is done in a number of ways including marketing and promotion, visitor servicing and working with local operators to create new tourism attractions/destinations. Visitor servicing is undertaken through the provision of a fully accredited Visitor Information Centre at Melton. This centre is staffed by two staff with the support of 37 local volunteers.
• **Local Economic Analysis** – Understanding the local economic conditions by analysing key indicators allows Council to effectively advocate and provide programs that suit the local conditions. Council has resources that are allocated to developing and maintaining a suite of indicators that assist in managing the local economy.

• **Business incubation** – Council understands that much of the growth in employment will come from existing businesses. Many Councils, including Melton Shire, are seeking innovative ways to support and grow local businesses. Melton Shire is actively seeking opportunities to develop a business incubator/accelerator so that it can provide a space for fledgling businesses to learn the skills necessary to grow a sustainable business.

• **Local Business Directory** – Council’s Business Growth and Sustainability team coordinate a business directory on Council’s website. Any businesses within the shire are able to place their company’s details onto the website for free. Council then maintains the register. Anecdotally businesses have indicated that this listing has helped them achieve higher rankings on various search engines.

• **Streetscape improvements in Activity Centres** – There are a number of Activity Centres throughout the municipality. These range from small neighbourhood activity centres to larger major activity centres. All these centres have a role in supporting and developing local employment and generating local economic outcomes. Council spends significant money in improving streetscapes in the activity centres in an attempt to beautify the areas and attract people. Shopping centres are key meeting spaces for the local community and by providing comfortable spaces Council is encouraging people to the shopping precincts.

• **Procurement Strategy** – Melton Shire Council supports local businesses through its procurement strategies. Local businesses are offered opportunities to tender for work and the Buy Local policy supports the engagement of local suppliers in undertaking work for Council.

• **Local market intervention programs** - The Building Melton Together (BMT) is an example of one of these market intervention programs. The BMT project is targeting jobs in the building and construction industry. The BMT project is a tailored system that enables building and construction based businesses to access free, fast and effective recruitment solutions. BMT helps job seekers by:
  • creating job and training opportunities for the building and construction industry
  • increasing provision for work experience in the building construction industry
  • providing co-ordinated access to employers in the building industry
  • increasing the retention rate of building and construction apprentices within Melton

Role of local government in generating economic development

As previously mentioned the three tiers of government play key roles in supporting and developing the local economy. The role of local government in generating local economic development cannot be understated. In addition to the range of programs highlighted earlier in this submission local governments are often one of the largest employers in the region. Within Melton Shire the local government would be one of the top three employers across the municipality.

Council consumes products and services from local businesses and this generates opportunities for local employment. Local government staff also purchase private goods and services from local businesses thereby injecting additional cash into the local economy.
Business investment is best facilitated when businesses have a level of certainty. Businesses often approach Council prior to investing to assess the ‘enthusiasm’ with which a proposal will be received. The certainty around investment is reinforced through state and local policies and through appropriate land use zoning. Council seeks to provide sufficient appropriately zoned and located land to encourage investment. The provisions within the planning regulations for each of the zones therefore need to support the overall strategic planning and not introduce uncertainty for investors.

**Barriers to local economic development, including compliance costs for business and planning delays, in operating in local municipalities and develop solutions to address these barriers;**

Time is often seen by investors as the enemy. Time delays in planning approvals can result in lost investment. This investment may be lost to another area within the region or lost completely from the State. As previously highlighted time delays at Melton Shire are kept to a minimum however delays in the delivery and implementation of Precinct Structure Plans does cause a level of uncertainty in the market.

As previously highlighted Council’s undertake a range of strategic planning projects aimed at ensuring land availability. This work is undertaken with the knowledge of the local area and with the best interests of the community at heart. Council also seeks to maximise the economic benefits and create sufficient employment for the local community.

Recent changes to the Planning Regulations removing floor space caps in commercial areas reduce the opportunity for Council to influence investment decisions at the local level. Privately owned activity centres will have the ability to expand to such a size that will limit the potential of other activity centres in the area to properly operate. This will result in a reduction of competition and fewer opportunities for neighbourhood activity centres to operate sustainably.

Infrastructure remains one of the key impediments to sustainable economic growth in Melton Shire. Inadequate public transport limits the ability of people to get to employment and hinders the promotion of Melton as a place to do business. Melton township is only 37 kilometres from Melbourne CBD however is serviced by a V-Line train that only runs every 60 minutes during the day.

**Ways in which municipal councils and the Victorian Government can jointly support local economic development, enhance and promote employment and attract new investment, especially in localities with emerging economic potential**

As highlighted in the introduction, Melton Shire is one of the fastest growing regions in Australia however has a significant jobs/labour force imbalance. Melton is located on a short distance from some of Melbourne’s key economic drivers such as Melbourne Airport, Avalon Airport and the Port of Melbourne. There is however a lack of understanding of the role that the growth areas play in the overall development of the state and national economy.

The Metropolitan Strategy will hopefully clarify some of these issues however there needs to be the development of a Statewide Economic Development Strategy or shared understanding of how Victoria’s economy is going to grow and create employment. The growth, regional, inner city and peri-urban areas all have a key role to play in supporting Victoria’s future however at the moment we are all competing for the same investment.
There is also the opportunity for greater cooperation at the regional level. As previously highlighted Melton Shire Council and the Western Melbourne Council’s all work closely to support the development of Melbourne’s west. There are however examples where we all compete against each other in applying for funding or attracting investment. The Victorian Government have a key role to play in identifying the roles of regions and then in supporting the development of the regional economies by working with local governments.

**Conclusion:**

Economic Development is not a clearly understood or articulated profession. Economic Development activities at a growth area Council are completely different activities undertaken to support and develop local business in the inner urban areas. The aims and objectives I would argue are however very similar and these focus on employment and community outcomes.

At the moment there is a gap in the overall understanding of how Victoria’s economy is going to grow and develop and this translates into a lack of understanding of the role of each of the LGA’s in the broader Victorian economy.

As a result many of us are all competing for limited resources, investment and funding. We all plead our cases for more support in the absence of any guiding framework.

The growth areas provide a magnificent opportunity to create economic hubs to support future employment. New residents with new skills are moving to these areas and with the support of various tiers of government many will start new businesses and employ local residents.

Government needs to support these entrepreneurs with infrastructure, direction, education and market certainty so that the private sector can play its part in creating Victoria’s future.