Economic Development and Infrastructure Committee
Inquiry into local economic development initiatives in Victoria

City of Greater Dandenong

The City of Greater Dandenong (CGD) welcomes the opportunity to comment on the inquiry and more specifically showcase many of our best practice, long established, local and regional economic development initiatives.

Overview of the City of Greater Dandenong

The City of Greater Dandenong (CGD) is a suburban municipality based 35 kilometres from Melbourne’s CBD and consists of a land area of 129.5 square kilometres.

There are over 140,000 residents representing over 156 nations in the city with 56% of residents born overseas. Greater Dandenong is Victoria’s most culturally diverse municipality.

There are over 12,000 businesses operating across the municipality, providing almost 75,000 jobs. With a resident workforce of almost 48,000 CGD is a nett provider of jobs to the wider region. Approximately 33% of jobs in Greater Dandenong are in the manufacturing sector, compared to only 11% being manufacturing for metropolitan Melbourne as a whole.

The total annual CGD output is estimated at $28.4 billion of which manufacturing comprises 58% or $16.6 billion. In a metropolitan context manufacturing represents 30% of total output whereas CGD manufacturing makes a more significant contribution at both local and state level.

The Municipality is a mixture of residential areas, large activity centres and extensive industrial precincts.
In 2006 the State Government recognised the central Dandenong activity centre as the capital city of the South East and pledged $290M through the partnership of Places Victoria (formerly known as VicUrban) and Council. This is the largest urban renewal project since Docklands.

In the Industrial area, Dandenong is seen as Victoria’s manufacturing heartland representing Australia’s 3rd largest industrial precinct (Greater Brisbane 1st, Greater Melbourne 2nd). Dandenong is home to many businesses who have been inducted into the Victorian Government’s Manufacturing Hall of Fame. These include Jayco Corporation, Hilton Manufacturing, Corex Plastics, Fantech, and Bombardier Transportation, just to name a few.
Part b – Examine the range of existing local economic development programs being carried out in Victoria’s municipalities:

Greater Dandenong Council has historically taken a two-pronged approach to business and industry support. Two Council units work closely together being the ‘Economic Development Unit’ and ‘South East Business Networks’. This model is unique in the functionality of the support that is provided to businesses and is seen as a benchmark for many Councils across Australia.

The two units are based in a commercial office away from the Council offices and there are also two external business support organisations based at this site. They are supported by but are run separately to, Council. The two organisations are South East Melbourne Manufacturing Alliance (SEMMA), a membership based industry representative group, and the Greater Dandenong Chamber of Commerce, once again membership based.

The ‘Economic Development Unit’ is integral to bringing awareness to all sectors of council operations that council has a lead role in facilitating economic strategy, business development, business and community networks and economic advocacy.

Notwithstanding this solid and successful history of support, we feel that we can do better and in late 2012, a ‘Greater Dandenong Business Development and Support’ unit will be launched that adds ‘Place Making; and place management to the pre-existing units.

The following networks, relationships and activities are also in place at CGD to ensure a broad understanding of current economic conditions, business knowledge and best positioning of our municipality for local employment and economic development:

- Providing support to business and trader associations;
- Providing support to local and regional business awards;
- Participation on the committee of regional economic development groups, including Melbourne’s South East (MSE);
- Participation on the committee of the South East Melbourne Innovation Precinct (SEMIP);
• Participation on the committee of Economic Development Australia (EDA);
• Supporting social enterprise businesses through analysis and coordinating networking opportunities;
• Running food and cultural tours, understanding the importance of food and culture to the region’s economy. This has extended to ‘branding’ of cultural precincts and activity centres and has resulted in 'destination marketing' including television and broad marketing campaigns;
• Publishing of four editions per annum of a significant business magazine (now 20+ pages per edition);
• Monitoring local economic and employment development through the implementation of Council’s LEED Strategy;
• Providing up to date information on the Council’s website about our business profile;
• Coordinating a Free City Shuttle service to ensure visitors have easy access around central Dandenong;
• Coordinating events through the Melbourne Food and Wine Festival;
• Providing promotion of some of Melbourne’s largest festivals— Lunar (Asian) New Year Festival;
• Producing a suite of “Great Bites” dining brochures for each of the major activity centres – promoting the cafes and restaurants in each of the areas. Promotional brochure for precincts with key information for navigating around cultural tourist destinations;
• Coordinating FAQ’s brochure for the strip shopping centre businesses, giving information on council local law requirements (display of goods on council land, permits and parking);
- Partnering with the UK Centre for Local Economic Strategies. Specifically studying and embracing the development of place resilience;
- Updating a database listing of the businesses in the municipality to better communicate with them for opportunities for receiving Stakeholder (Business Magazine) and training where applicable;
- Partnering with other Council units for the betterment of businesses located within the Municipality.

**South East Business Networks (SEBN)** is the business networking unit of the City of Greater Dandenong and is a unique initiative that brings together people and companies across the south east region of Melbourne – primarily to strengthen the knowledge and capability of the manufacturing sector.

SEBN engages industry – without expectation – and generally without cost. It engages at different levels in different ways - regularly interacting with more than 500 companies and 2500 people annually – generally in small network groups / roundtables. Networks range from CEO Mentoring and Export/Globalisation to Manufacturing Excellence and OH&S.

Working in partnership with many and varied organisations, including education and technology providers for more than 20 years, SEBN acts as both a catalyst (of new ideas and global good practice) and an enabler – encouraging an environment of collaboration and sharing of information and expertise. An indirect consequence is the creation of strategic interaction / knowledge-sharing between business leaders and the formation of relationships.

SEBN’s approach raises awareness on issues of impact and exposes and educates business through ‘leveraged learning’ using a combination of presentations and workshops by experts and / or peers and site visits.

This approach has directly resulted in an increase in the successful and sustainable uptake of technology / global business practice.

The unique SEBN model has created an environment of informal and open business-business and business-Council connectivity which has indirectly delivered broader benefits to the wider community. Examples of this include significant industry input into the development of a Chisholm Manufacturing

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Technology Degree; engagement of secondary teachers and students on employment supply and demand opportunities; models of integration of refugees and new arrivals, and raising of considerable funds for local charities from industry.

SEBN also delivers a suite of activities for women in business, inspiring, encouraging and supporting women from all business environments to pursue their chosen careers.

These two business units regularly liaise with Council planning, building, community development, public health and wider Council services to ensure two-way communication and common understandings of municipal profile, issues that can be influenced, advocacy, land-use and knowledge of the built form, infrastructure and social capacity.
Part b – Examine the appropriate role of local government in generating economic development and review the allocation of responsibility in this area with the State Government:

While Councils work within a broader economic and policy context, each local economy has a number of challenges that require attention at the local level if the area is to be sustainable and prosperous into the future. This includes local employment and labour force issues, development and sustainability of the areas industrial precincts, development of attractive activity centres for shopping, working and living, and ensuring that the local economy is positioned well for the future. Councils have an impact on economic development, deliberately or otherwise, because of the decisions they make on investment and development approvals, amongst others. Furthermore through the information, business support programs and advocacy, Councils have the opportunity to positively influence outcomes.

A Council’s most important role in economic development is in strategic leadership, where it can bring together diverse community interests in ways which stimulate enterprise and wellbeing for the benefits of residents, workers and employers.

Most Councils understand that their role as part of a broader region, and that the success of the local economy is intrinsically linked to the success of the region. Greater Dandenong’s economic future is dependant on the infrastructure, skills and vibrancy of the broader region. Accordingly it is actively involved in alliance and collaboration with surrounding municipal councils and others.

Local government activities within economic development cover:
- Education, training and skills development,
- Business, industry and employment,
- Economic and social wellbeing, as well as
- Local leadership in building a sustainable and resilient region

CGD’s economic development unit offer networks, contacts and advocacy services to and for the business community. From business inception, developers or business owners (large to small) can come face to face with local government. They are exposed to local government planning regimes and can gain an understanding of their business’ place within the community. A well functioning economic development unit within local government facilitates activities and networks that ensure these businesses know they are part of a broader community.
Once a business is established, it is local government that must continue with assistance and linkages, understanding the needs of the business from transport, employment skills to marketing and export assistance.
Part c – examine whether the role of local government in rural and regional areas has different economic development tasks to that of metropolitan based municipalities:

Each region and municipality must forge economic development strategies relevant to the assets and needs of its area, and with considerations of its part within a broader region. This is based on the region’s principal business strengths, geographic barriers, employment base and other business and natural attributes. Whilst every local government area wants the best economic conditions for their region, the means of achieving those conditions will differ greatly.

Local government can also assist a community’s business sector to understand that flexibility within a region’s economic profile is also necessary. Meaning, any region cannot assume a fixed approach to economic development strategies and must consider future changes.

In a May 2012 Greater Dandenong survey (BDC – market research - Report Project training and benchmark) of 50 small to medium businesses all (100%) agreed it is the role of local council to provide business support.
Part d – identify the 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:

Transport infrastructure continues to be one of the principal reasons for business to establish in a region. CGD has experienced significant business growth with the development of the East-link corridor. However, there continues to be road infrastructure capacity problems, particularly the Monash Freeway and connection of East-link to the Hume highway.

Greater Dandenong has a high proportion of migrants, there are some that have difficulties speaking English and this has resulted in significant local labour-market disadvantages through lack of qualifications, job ready skills and English language skills. A strengthened focus on English language skills within the services currently being provided to support them upon arrival may assist.

Within the context of comments made in Part c – a barrier can in fact be an underperforming municipality that has not resourced and consequently directed attention to understanding regional business. Again, Local Government is the conduit between community and State/Federal government (and from time to time international investment). Municipalities that may have inadequate planning schemes, inappropriately zoned land for future business use, or that lack the municipal strategies to link to likely municipal/regional economic futures, be that manufacturing, technology, agriculture, tourism or otherwise will be disadvantaged economically.

A critical issue for Australian manufacturers in general is a lack of ‘global perspective’ which inhibits companies which actually have the capability to compete in global markets from considering their expansion outside of Australia. While existing Victorian Government programs look to address this in part, a more focused suite of programs could be developed and targeted and promoted to the broader manufacturing community.

A further barrier continually reported to CGD through all networks is ‘up-skilling of company management’. Whilst many organisations have adopted the philosophies of reports such as the Karpin Report (mid 1990’s), it is fair to say that within the South East Manufacturing sector, leadership and management skills appear to be in decline or below internationally comparable companies.
Local businesses also report that Dandenong is a transient labour base, i.e. once workers acquire specific skills they are more likely to move to another area. Dandenong is constantly seeking strategies to minimise this skill loss.
Part e – examine 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;

There is no one model to local economic development. Again, what works in one region is unlikely to translate completely to another. Many individual components make a regions/municipal economy. However, it is local governments’ role to understand these components. This understanding comes from liaison with the business sector, understanding community, and being in touch through all relevant networks with State and Federal Government. Local government must direct resources to build these networks and local business relations.

As global pressures place even greater demands on business competitiveness it will be necessary for local government business and economic networks to build global networks and be in positions to introduce local business to global markets, global business coaching and international regional investment.

In addition to a solid understanding of our business sector, Greater Dandenong has embraced a wider approach to our municipal/regional economy and accepts and understands the foundations of the region in terms of economic resilience. CGD has recently studied all aspects of resilience, which has assisted Greater Dandenong to better understand the structure of the local economy and its ability to be change ready and adaptable.
Part f – investigate best practice local economic development initiatives relevant to the terms of reference;

We consider CGD’s current model of local government involvement in economic and business development appropriate (and possibly best practice) for Greater Dandenong. Again, there is no one model. However, local governments that understand their business community, have the resources to continually network between that community and State/Federal government and can negotiate between business and municipal functions such as regulatory, planning, social and environment, will be in the best position to advance their regions.

Should you require any further clarification on any points raised, please contact me on [redacted] or our Economic Development unit on 9238 1571.

29th August 2012