To:

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

Submission – Inquiry into local economic development initiatives in Victoria

Submitter:

Bryan McEwan, on behalf of Loddon Shire Council

Position:

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Council:

Loddon Shire Council

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Date:

31 August 2012
Comments against the Terms of Reference

1. **examine the range of existing local economic development programs being carried out in Victorian municipalities;**

All programmes being run through the Shire’s economic development unit are in line with the existing:

- Economic Development Strategy
- Council plan
- Regional Strategic Plan

Delivery of specific strategies involves a reliance on external funding sources and state/commonwealth funding programmes to enable change, development and job creation.

Specific Objective (Economic development Strategy):

**Objective 1:** To stem population decline and counter the impacts of population ageing.
**Objective 2:** To encourage orderly and compatible development throughout the Shire.
**Objective 3:** To create a climate for investment.
**Objective 4:** To provide leadership and facilitation in economic development.

Individual programmes include:

- One on one business assistance – inclusive of signposting to State and Commonwealth funding or development resources, access to small grants to new businesses, access to competitively priced industrial land, assistance with planning and building services within council.
- Development of agriculture and agricultural industry
- Development of housing and industrial land
- Involvement of communities in local economic development, particularly tourism
- Marketing and promotion, including investment attraction
- Streetscape redevelopment (local marketing through infrastructure development and renewal)
- Caravan park investment and renewal (tourism and accommodation)
- Customer service, satisfaction and attraction
- Change management
- Facilitation
- Training
- Assistance with grant management
- Promotion of new infrastructure investments (NBN, NVIRP)

2. **examine the appropriate role of local government in generating economic development and review the allocation of responsibility in this area with the State Government;**

Local government is ideally placed to hear and understanding the issues, influences and effects of change from the community (and business), first hand. It is therefore important that governments have the capacity to ‘value add’ in the development of solutions to local
issues (as a partner), but at the same time remain flexible enough and effective in enabling those individual solutions.

Understanding that the interpretation of economic development needs to be realised locality by locality, while fundamental principles of economic development will remain the same, it is the appropriateness and their application that will need to be assessed – according to local need or demand.

Equally, resourcing is an important issue, particularly the acquisition of resources which improve council knowledge and expertise and the ability to deliver innovative and effective economic solutions.

3. **examine whether the role of local government in rural and regional areas has different economic development tasks to that of metropolitan based municipalities;**

Comments:

Council is in the position where it is trying to attract population to enable economic growth (which needs to be coupled with wealth) whereas, I would expect, metropolitan or growth areas are more focussed on trying to manage population growth.

The balance is in attracting population while also ensuring that this does not result in social decline.

4. **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;**

Barriers to economic development include:

- Limited human resources (in-house and external) to ‘do the job’ in reasonable timeframes
- Delays in approvals – building, rezoning, permits (resourcing)
- Training – particularly in the application of economic development principles
- Limited council financial resources – to fund new short/long term positions, strategies, external resources, training, administration.
- Limited external funding for identified projects (both infrastructure and planning projects)
- Complex application, approval, administration (including acquittal) processes for external grants
- Application of training into businesses – particularly to business owners or managers. Availability and cost of competent business advisors is an issue – time out of the business for key staff is an enormous barrier.
- Understanding within the community of the full advantages of infrastructure investments such as the NBN or Irrigation renewal projects.
- Building innovation or attracting new ideas into business and local communities
5. 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; and

Suggestions would include:

- Closer relationship between state government and councils in economic development – in particular revise the way in which Departments deliver services into councils, to encourage greater efficiency and time effectiveness.
- Identifying and leveraging off large infrastructure investments such as the Northern Victorian Irrigation Renewal Project and the National Broadband Network – particularly in attracting new investment and business.
- State to be more actively in attracting new business and investment to regional locations, including the examination of business ‘black spots’ (gaps in local services or goods that represent a business opportunity).
- Development of agricultural businesses needs to be recognised as a key priority within state and commonwealth governments – particularly as it relates to rural shires.
- Development of business development models that leverage off natural, built and social advantages of individual LGA’s, recognising that each region is unique.
- State to continue and improve on initiatives to market local council’s to new residents.
- Greater integration of state economic development services into council delivery initiatives.
- Build a marketing model for regional Victoria, which has fully examined the barriers and advantages of relocating to regional Victoria. This should also be followed by a similar exercise for individual LGA’s.
- Each council is best placed to know and promote its own back yard. Councils need to be given the tools, funding and resources to assist in its own development which is inclusive of direct involvement with the facilitation of export, local investment, business development and attraction.

6. investigate best practice local economic development initiatives relevant to the terms of reference.

- Use ‘building of demand, investment and wealth creation’ as the basis for economic development.
- Develop a broader interpretation of the provision of infrastructure which promotes economic growth to include (for example) housing land, community houses, stronger community development and leadership.
- Greater focus on collaboration, network and cluster development.
- Closer examination of future trends, such as the development of the services sector and what that may mean to local employment.
- Close examination and more intensive application of national and international examples of ‘best practice’ economic development principles, however ensuring that they are applied appropriately on a local level (not a ‘one size fits all’ approach).
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