INQUIRY INTO LOCAL ECONOMIC DEVELOPMENT INITIATIVES IN VICTORIA

Thank you for your letter advising of the EDIC’s inquiry and your invitation to make a submission.

Moreland recognizes the valuable role local businesses play in achieving a sustainable and livable city and is committed to placing a high priority on proactive strategies and actions to improve investment, employment and business performance across Moreland. A dynamic and vibrant economy is emerging in Moreland and with change comes opportunity. As many advantages of doing business in Moreland are realized, new professional services, financial services and creative industries are emerging, supported by the solid foundation of the existing business community.

On behalf of Moreland City Council I am pleased to make the following submission framed by the key terms of reference.

Existing local economic development program

Like many inner metropolitan municipalities Moreland is an economy in transition. As old established large manufacturers have taken their operations to cheaper purpose built facilities on the fringe of Melbourne or off shore new employment opportunities have had to be created. The additional pressure but sound policy direction of urban consolidation and increasing land values adds to the complexity of this journey of economic transition.

In order to meet this challenge, build on Moreland’s strengths, and maximise opportunities Council has adopted a five year Economic Development strategy. A copy of this strategy is enclosed and outlines the five strategic directions guiding Council’s economic development efforts: leadership and policy; business support; investment and jobs attraction; place making and activation; and workforce development.

Fundamental to this program is a whole-of-Council approach and a regional approach that are both responsive, facilitative and collaborative. Through focused efforts over the past 3 years in particular Moreland has created a coordinated and supportive business investment and employment creation culture that:
o Supports existing businesses and new enterprises with information, regulatory guidance (including fast track and commercial priority planning services), and training;
o Acts as a catalyst or advocate for new business development (including a comprehensive urban renewal program for Moreland’s Activity Centre network and Core Industrial Employment Precincts);
o Ensures appropriate infrastructure is available to facilitate the development of business and industry;
o Establishes coordinate forums or business networks with the direct goal of improving communication links, sharing ideas and the long-term goal of wealth creation, export-growth and employment creation; and
o Provides exemplary levels of customer service to assist business expansion and attract business investment.

Best practice initiatives

Urban Renewal

As mentioned a key strategic direction for Council is place making and activation. The primary driver for this activity is the implementation of Structure Plans for Council’s Principal (Coburg) and Major (Brunswick and Glenroy) Activity Centres through its Place Framework and Place Making program. Moreland recognized that simply preparing Structure Plans and Planning Scheme Amendments would not of themselves drive investment and employment outcomes and has actively entered the market to act as a catalyst for this change.

Council’s flagship urban renewal project, The Coburg Initiative, alone provides direction for the next 20 years for creating 9,805 jobs for Central Coburg, an additional 357,000 square metres of additional floor area, and 5,600 new dwellings. As landowner of 12.75 hectares of land in the heart of the Centre Moreland is able to contribute to the development momentum, act in the interests of the wider community to negotiate with the private sector to seek a win-win outcome for both, demonstrate commitment to the delivery of the TCI program, and deliver community benefits that will leave a legacy for future generations. Over $1.5 billion of private investment and more than $0.5 million of public investment in soft and hard infrastructure will be generated through the project. Moreland is establishing new benchmarks in creating place and economic activity in Melbourne’s northern gateway city.

Key also to urban renewal is the preservation of employment generating land. Through the Moreland Industrial and Land Use Strategy (MILUS) Council has preserved 3 Core Industrial Employment Precincts (CIEP’s) to sustain a range of businesses that are not compatible with high density living Activity Centres. As the most productive sector of any economy manufacturing activities are vital to bringing ‘new’ money into the local economy and there are many successful businesses still needing locations like Moreland. With the aim of balancing job creation and urban consolidation, Council has released smaller industrial precincts to residential and mixed use activities while still being strongly committed to preserving the 3 CIEP areas.

Digital Economy

Moreland recognises that as the first metropolitan Council to benefit from the National Broadband Network (NBN) rollout that it has a unique opportunity. As a key enabler to harnessing the Digital Economy it has the potential to transform the local economy and position it at the leading edge of businesses embracing this technology. Council has
prepared a local strategy and worked in collaboration with its northern regional municipalities to prepare regional strategy to maximize its efforts in this space.

Business Incubator

Moreland’s Brunswick Business Incubator is one of the most successful incubators in Australia. Not content to rest on its laurels however, Council has recently completed a major review of best practice incubation and developed a clear path forward for enhancing this key service into the future.

Smart Growth Principles

Moreland has embraced 15 Smart Growth Principles for building a prosperous and livable community which recognize the economic value of natural and human capital and focuses on the most critical blocks for success; the community and the region. These underpin Council’s approach to economic development and are highly relevant to clarifying the roles that State and Local Government need to fulfill. They are as follows:

1. Integrated Approach - Government, business, education, and the community should work together to create a vibrant local economy, through a long-term investment strategy that:
   - encourages local enterprise
   - serves the needs of local residents, workers, and businesses
   - promotes stable employment and revenues by building on local competitive advantages
   - protects the natural environment
   - increases social equity
   - is capable of succeeding in the global marketplace.

2. Vision and Inclusion - Communities and regions need a vision and strategy for economic development according to these principles. Visioning, planning and implementation efforts should continually involve all sectors, including the voluntary civic sector and those traditionally left out of the public planning process. For Moreland this is a dynamic and multi pronged approach not left solely to the domain of the Economic Development Strategy but through its incorporation through other key strategies including the Community Plan, Health and Well Being Plan, and Municipal Strategic Statement.

3. Poverty Reduction - Both local and regional economic development efforts should be targeted to reducing poverty, by promoting jobs that match the skills of existing residents, improving the skills of low-income individuals, addressing the needs of families moving off welfare, and ensuring the availability in all communities of quality affordable housing, child care, and transportation.

4. Local Focus - Because each community’s most valuable assets are the ones they already have, and existing businesses are already contributing to their home communities, economic development efforts should give first priority to supporting existing enterprises as the best source of business expansion and local job growth. Luring businesses away from neighbouring communities is a zero-sum game that doesn’t create new wealth in the regional economy. Community economic development should focus instead on promoting local entrepreneurship to build locally based industries and businesses that can succeed among national and international competitors.
5. Industry Clusters - Communities and regions should identify specific gaps and niches their economies can fill, and promote a diversified range of specialized industry clusters drawing on local advantages to serve local and international markets.

6. Wired Communities - Communities should use and invest in technology that supports the ability of local enterprises to succeed, improves civic life, and provides open access to information and resources. NBN is key to promoting and facilitating this.

7. Long-Term Investment - Publicly supported economic development programs, investments, and subsidies should be evaluated on their long-term benefits and impacts on the whole community, not on short-term job or revenue increases. Public investments and subsidies should be equitable and targeted, support environmental and social goals, and prioritise infrastructure and supportive services that promote the vitality of all local enterprises, instead of individual firms.

8. Human Investment - Because human resources are so valuable in the information age, communities should provide life-long skills and learning opportunities by investing in excellent schools, post-secondary institutions, and opportunities for continuous education and training available to all. The recent announcement of the State’s commitment to a Coburg High School is a valuable contribution to this end. The continuing closure of TAFE facilities across the municipality and region is of concern.

9. Environmental Responsibility - Communities should support and pursue economic development that maintains or improves, not harms, the environmental and public health. Moreland continues to be a leader in environmental sustainability having established the Moreland Energy Foundation (MEFL) and leading by example by being on target to be the first Victorian municipality to achieve carbon neutral status. Moreland works closely with businesses to achieve the same goals be it in their existing operations or through their new investment in buildings.

10. Corporate Responsibility - Enterprises should work as civic partners, contributing to the communities and regions where they operate, protecting the natural environment, and providing workers with good pay, benefits, opportunities for upward mobility, and a healthy work environment.

11. Compact Development - To minimize economic, social, and environmental costs and efficiently use resources and infrastructure, new development should take place in existing urban, suburban, and rural areas before using more agricultural land or open space. Local and regional plans and policies should contain these physical and economic development planning principles to focus development activities in desired existing areas. The continued expansion of the urban growth boundary by the State is highly contrary to this approach.

12. Livable Communities - To protect the natural environment and increase quality of life, neighbourhoods, communities and regions should have compact, multi-dimensional land use patterns that ensure a mix of uses, minimize the impacts of cars, and promote walking, bicycling, and transit access to employment, education, recreation, entertainment, shopping, and services. Economic development and transportation investments should reinforce these land use patterns, and the ability to move people and goods by non-automobile alternatives wherever possible.

13. Activity Centre Focus - Communities should have an appropriately scaled and economically healthy centre focus. At the community level, a wide range of commercial, residential, cultural, civic, and recreational uses should be located in activity centres. At the neighbourhood level, neighbourhood centres should contain local businesses that serve the daily needs of nearby residents. At the regional level,
regional facilities should be located in urban centres that are accessible by transit throughout the metropolitan area. The proposed reforms to the planning zones will severely undermine this principle by permitting a wide range of out of centre activities removed from public transport services.

14. Distinctive Communities - Having a distinctive identity will help communities create a quality of life that is attractive for business retention and future residents and private investment. Community economic development efforts should help to create and preserve each community's sense of uniqueness, attractiveness, history, and cultural and social diversity, and include public gathering places and a strong local sense of place.

15. Regional Collaboration - Since industries, transportation, land uses, natural resources, and other key elements of a healthy economy are regional in scope, communities and the private sector should cooperate to create regional structures that promote a coherent metropolitan whole that respects local character and identity.

Appropriate roles of State and Local Government in generating economic development

Regardless of which level of government the private sector remains the most significant contributor to economic development. In developing business and hence the economy, the private sectors' primary motivation is to accumulate wealth. If we are to successfully influence this our roles are to influence this wealth motivation. This principally involves setting the conditions for rewarding opportunities to be created and exploited within the parameters of the social and environmental objectives that our communities also expect us to deliver.

This support can be as simple as giving access to the wealth of information that we have that assists in business planning, to clearly communicating and simplifying necessary regulations that affect business development. However the greatest support that we can provide is clear and long term commitments to the platforms that support development investment. There are a range of planning tools provided to local government by the State that can enable this. Millions of dollars have been invested by local government in achieving this end. Rather than radically altering the framework for all of this investment by introducing new zones a bipartisan commitment to activity centre policy would be much more effective. Voids of policy create uncertainty and only add to risk.

The other key development investment platform however is infrastructure which needs to be clearly linked to delivering state and local government policy directions. While our public transport system is not given sufficient investment pressure on the road system continues to mount and business supply systems are hindered. Greater investment and clarity around public transport strategy (and particularly rail grade separation) is the key to unlocking investment. Until then business will continue to de-risk this issue through the continued provision of expensive car parking ultimately further compounding the problem but also eroding affordability.

There are important roles for local and state government to play as direct investors in economic development as well. Increasingly private partners are being sought by state and local government to enable this to occur. It would greatly assist local government if a level playing field was put in place with respect to the opportunity of providing long term leases (99 years not 50) and there was greater assistance in navigating the business case process owned by the State. Moreland is particularly supportive of the State's business case tool however it is extremely expensive and finding suitable sponsors within State government is challenging.
Different tasks of rural and metropolitan municipalities
Having regard to the principles driving smart growth the tasks of rural and metropolitan municipalities are one in the same. Each must tailor their efforts and resources to achieve the principles and the extent of challenge will vary. However, while geography, population and economic drivers are different, the essential tasks remain the same.

Barriers to local economic development and solutions
The terms of reference highlight compliance costs for business and planning delays as municipal operations. Moreland has introduced a fast track and commercial priority assessment system that has significantly reduced timelines for approvals.

That said, the most significant barriers to economic development are access to finance and land assembly and neither of these barriers are attributable to local government.

I would be pleased to discuss our submission further.

Yours sincerely

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