September 2012

The Swan Hill Rural City Council welcomes the opportunity to provide information for the Parliament of Victoria’s Economic Development and Infrastructure Committee inquiry into local economic development initiatives in Victoria.

(a) Examine the range of existing local economic development programs being carried out in Victorian municipalities;

Investment Incentive Policy and Processes –

- Council has an investment incentive policy focused on achieving outcomes of: increasing population through improved employment opportunities and the diversification and development of industry.
- Investment incentive policies are guided by criteria that include: improved employment outcomes, value adding to existing sectors, export potentials, social outcomes, environmental affects and a likely revenue stream for Council.
- State government support/training in these areas would provide Council’s Economic Development Unit and Executive with a greater understanding of how to successfully attract or better manage facilitation of large scale investment into regional areas.

Business Support and Development Programs –

- Council’s Economic Development Unit and local Chambers of Commerce provide business support programs on an ad hoc basis, traditionally focusing on business areas including: business planning, marketing, accounting and operation.
- In the smaller scale, Small Business Victoria offers a range of relatively effective programs however information regarding these is not immediately available and often needs to be researched. The programs also have trouble attracting participants, Council feels updating the offering to include ecommerce and social media in business would be effective.
- Council feels there needs to be a greater awareness of what is available to small business and be included in the conversation between state government departments (DBI) and its larger businesses so as to deliver the appropriate support and development programs to its bigger businesses. Council would welcome the opportunity to work closely with its larger businesses and state government on such projects.

Linkages to State Government Programs (DBI) –

- The state government play a significant role in ensuring sustainability of medium to large scale businesses and new business investment. There can be a number of specialist departments within those organisations remotely handling particular businesses (Food, manufacturing etc).
- Council understand that specialist knowledge is necessary when dealing with larger enterprises in specific fields however it can limit Council’s awareness of the business activity occurring in its own area.
- A greater communication between the appropriate state government departments and Council’s when dealing with medium to large scale business has the potential to improve investment outcomes for industry and increase opportunity for Council and communities.

Economic Development Strategy –

- Through the development of these strategies Councils make a decision whether to develop the document in house or invest in outside expertise. Whilst Council have found the in house development method much more effective in developing a working document. It believes it would have benefitted from an established framework for the development process so as to ensure the document presented all the relevant information for all tiers of government and relevant funding bodies.

Special Marketing Rates –

- Promotion of a region to potential visitors, investors and residents is carried out by Council’s Economic Development Units. To generate the relevant funding to carry out this activity, Council draws a Special Rate from local businesses. This is a relatively common practice for medium to larger scale Councils. It involves a significant amount of consultation every time the rate is reviewed. Many Council’s provide the funds raised to a third party to expend appropriately and independently.

Visitor Information Centres –
Most major regional Councils are able to service a level one accredited visitor information centre. However there is difficulty for Council’s who have a dispersed population operating sufficient visitor information services in a number of centres.

A state based system for establishing better information services in smaller settlements would be appropriate for Council’s with demographics similar to the Swan Hill Rural City.

(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;

• **Advocacy**: Council need to support local economic development through advocating to the relevant government and industry bodies with the assistance of groups such as the Murray River Group of Councils.
• **Leadership**: Council takes a lead role in identifying and promoting opportunity within the region. This will ensure that potential investment opportunities are recognised by government and private industry.
• **Facilitation**: Council’s can project manage investment at a local level. This can be through assisting with regulatory processes or sourcing additional resources to ensure investment is carried out appropriately and in a timely fashion.
• Greater information sharing between State Government (DBI) and Councils will increase awareness of investment processes and give Council a greater capacity to assist investment at an earlier stage.
• State Government could further/better promote regional areas as a place to invest through a greater concentration on the strengths of each region (profiling).

Greater information sharing (DBI), Council unaware of expansion and therefore unable to help!
More proactive approach through DBI, profiling each LGA re: strengths for inquiry process.

(c) examine whether the role of local government in rural and regional areas has different economic development tasks to that of metropolitan based municipalities;

Council’s in regional areas are often charged with considerably different economic development tasks to their metropolitan counterparts.

**Access to Resources** – Regional Council’s do not have access to the same level of resources as metropolitan Councils. The sheer weight of numbers equates to lower operating budgets for Council as a whole and Councils funding of Economic Development Units. Within a regional unit project management can be carried out by as little as one officer, yet are still expected to provide a similar level of service across the broad range of economic development functions.

**Closer to Government Links** – State government departments house the majority of their operations within metropolitan areas, whilst most regional services are housed in major regional centres of Bendigo, Ballarat, Geelong and Mildura. Many state employees forget their position expands beyond those boundaries of our major regional centres.

**Regional Councils have to Work Harder** - Regional Councils are expected to offer a similar range of services to metropolitan Councils. This includes business development and support programs, project management of funding and all other ad hoc duties associated with the economic development function often with significantly less staffing resources.

**Increased Level of Competition** – Medium to large-scale investment is not as common in regional areas. When opportunities do arise competition is fierce. Whilst this ensures a number of Councils have access to potential investment, it also increases the pressure on Economic Development Units to ensure they have the capacity to provide such incentives, often at relatively short notice.

(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;

• The facilitation of investment in regional areas is often slowed due to regulatory processes. The costs associated with compliance of regulatory building and planning processes has a much larger impact on investment due to a generally lower return on investment in regional areas. The speeds at which planning decisions can be made and processed are again also slower, due to lack of human resources.
• Council believes that there could be greater assistance provided from the state government with regard to regulatory issues when dealing with a potentially large-scale investment process.
(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; and

- Through communications with state government agencies (DBI) Councils have the opportunity to pitch to potential investors. Whilst this process does occur, it does so on a somewhat ad hoc basis and the information is not distributed to all potential Councils at the same time. An improved system for the sharing of opportunities in such cases would ensure that all Councils have equal opportunity to be involved in this process would improve Councils capacity to attract larger scale employers.
- The Regional Victoria Living Expo provided each Council with an opportunity to talk to potential visitors and new residents. Whilst the expo program has provided Council with a platform to present to potential residents funding of each Councils involvement has not been ongoing and has left regional Councils to compete with much larger Councils operating with very different promotional budgets. The ongoing funding for years two and three of the expo would ensure that all Councils have an opportunity to compete on this platform.

(f) investigate best practice local economic development initiatives relevant to the terms of reference.

Natural Gas – Access to natural gas and other renewable energy solutions is considered to be a major attraction criterion for new industries. As a large scale agricultural producer, Swan Hill Rural City’s potential for economic expansion in manufacturing and even more so value added food production would be substantial with the extension of reticulated natural gas to the municipality.

Through the advocacy of the Murray River Group of Councils the state government committed $1 million to a feasibility study into the extension of reticulated natural gas into north west Victoria.

Swan Hill Riverfront Master Plan – The development of the Swan Hill riverfront will provide an important stimulus to the regional economy and is a key component in longer term infrastructure development. It is anticipated that Riverfront Master Plan will bring together a number of major infrastructure goals for the region including:

- $5m redevelopment of the regions premier tourist attraction, the Pioneer Settlement
- $20m+ for the establishment of a new double lane Murray River Bridge
- $3m worth private investment at Riverside Caravan Park
- Improved access to the riverfront from the Swan Hill CBD

Swan Hill Aerodrome Redevelopment – Most of the infrastructure at the Swan Hill Aerodrome is in excess of 50 years old. The redevelopment includes reconstruction of the sealed runway, improvements to runway lighting and existing terminal buildings.

Redevelopment will ensure the Swan Hill Aerodrome is well positioned to for future possible business opportunities to come of a Swan Hill Aerodrome Business Case to be carried out concurrently with the redevelopment process.

Chisholm Reserve Motorsport Complex – Redevelopment of the complex would deem the venue eligible for hosting major regional, national and international motorsport events in partnership with local motorsport clubs and national motorsport bodies.

A state government commitment of $2m has been made to the redevelopment process. Council are currently doing the relevant background work to determine the projects overall viability and establish additional funding sources.