Dear Sean,

RE: INQUIRY INTO LOCAL ECONOMIC DEVELOPMENT INITIATIVES IN VICTORIA

We are pleased to have the opportunity to make this submission to the inquiry and provide our responses to the terms of reference accordingly.

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

The economic development initiatives being undertaken by Pyrenees Shire Council are directed by Council Plan, the Growth and Development Strategy 2010-14 and the Tourism Strategy 2012-14.

**Council Plan**

Growth and Development objective and strategies for 2012-13 are:-

Objective: To develop the local economy and increase the population of the Pyrenees Shire.

Strategies

4.1 Continue Council's involvement with Central Highlands Regional Strategic Plan, Grampians Tourism, Regional Management Forum, and Regional Development Australia, to maintain and expand the regional development focus.
4.2 Implement the priority actions in the economic development strategy and the Tourism strategy to attract, retain and develop business, industry and tourism.
4.3 Work with telecommunications companies and government representatives to improve mobile phone and broadband internet access throughout the Shire.
4.4 Review industrial land requirements in Beaufort and Avoca in conjunction with
the review of the current industrial land strategy.
4.5 Review residential land requirements in Beaufort and Avoca in conjunction with
the review of the current residential land strategy.
4.6 Demonstrate the liveability of the Shire by continuing to support existing, and
promoting future events in the Shire.
4.7 Provide support to the Pyrenees wine region.
4.8 Advocate for the Landsborough pipeline.

**Growth and Development Strategy 2010-14**

**Key Initiatives:-**

1. Foster Partnerships with Local Business Associations
2. Provide Support for the Agriculture sector
3. Provide Business Development Support to our Major Industries
4. Provide Employment and Career Options for Youth
5. Implement Buy Local Initiatives
6. Support the continued development of the Pyrenees Wine Brand and Region
7. Assist the development of home business
8. Plan for Growth of Tourism
9. Nurture and Grow Festivals and Events within the Municipality
10. Capitalise on Nature Based Tourism Opportunities
11. Provide Infrastructure to Support Industry Development and Amenity to the
    Local Community
12. Seek Improved Telecommunications
13. Continue Partnerships with the Beaufort and Avoca Community Banks
14. Develop a Marketing Program for the Pyrenees Shire
15. Public Transport Connections
16. Capitalise on Renewable Energy Opportunities

Within the above strategies support is provided to new and existing businesses and
business associations throughout the Shire by undertaking the following activities:-

- Conducting Small Business Victoria workshops on topics such as business
  planning, marketing, ecommerce and social media.
- Circulating information about the role of Business Victoria and its available
  resources.
- Facilitating networking events to develop skills and knowledge.
- Conducting our series of “Farming in 21st Century” events in partnership with
  Ararat Rural City and Northern Grampians Shire Councils, and Project
  Platypus(Landcare group). These free events bring farmers up to date on the
  latest technologies and management tools available to meet the challenges of
  a changing climate in the 21st Century thereby supporting our agriculture
  sector.
- Referrals to the Small Business Mentoring Service and the Eureka Business
  Enterprise Centre for one on one support.
• Conducting business awards in partnership with Ararat Rural City Council and Northern Grampians Shire Council every second year.
• Developing strategic plans for business groups.
• Responding to investment and new resident enquiries.

**Pyrenees Shire Tourism Strategy 2012-14**

The tourism strategy focuses attention on:-

• Marketing the Pyrenees Wine Region
• Promoting our Nature Based Tourism
• Undertaking the recommendations of the Goldfields “First Heritage Region” project
• Promoting the historic attributes of Beaufort and surrounds at the southern end of the Shire
• Exploring further development of farm based tourism

**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.**

The Pyrenees Shire Council views its role in generating economic development as developing the local economy and increasing the population of the Shire.

The strategies being undertaken to achieve this objective have involved consultation with local communities across the Shire and collaboration with municipal partners to establish regional priorities. The State Government has played an important role in assisting local governments within the region to develop its strategic plans through the support provided by Regional Development Victoria and the Department of Planning and Community Development.

Through the establishment of these priorities the Shire has undertaken some significant infrastructure projects in recent times to drive investment opportunities and grow the population. Many of these projects have been undertaken in partnership with local community groups and State Government departments such as Department of Planning and Community Development (DPCD), and Regional Development Victoria (RDV). Funding by the State government has been an integral component of the Shire’s ability to deliver priority projects.

Examples of these projects include:-

• The Avoca Children’s’ and Families Hub which is currently under construction
• Ongoing development of the Avoca Industrial Estate which will stimulate investment and create new jobs.
- Construction of the Waubra Community Hub, which consolidated a kindergarten and pre-school facility with sporting club facilities, function room and community meeting rooms under the one roof.
- Beaufort Economic Growth Project, where the installation of railway culverts will mitigate flooding and allow further growth and development of the industrial precinct.
- Stage one of the Correa Park residential land development at Beaufort where new housing construction is now being undertaken.
- Snake Valley Sewerage Scheme to allow further population growth on the hinterland of Ballarat.
- Streetscape works at Beaufort and Avoca.

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

The different challenges that establish priority tasks for local government economic development activity in rural and regional areas compared to metropolitan councils include:-

- There is significant dependence on manufacturing and agriculture to support the local economy. Often this means local people seek retail, health and professional services from larger regional cities or metropolitan areas to meet their needs.
- There is a lack of reliable mobile phone and internet coverage to support small business in the digital economy and people working from home.
- Levels of academic achievement are lower in regional and rural areas due to the migration of youths to cities for study who then begin their professional careers there. The aptitude towards gaining tertiary qualifications is lower in this region. According to 2011 Census data 6.6% of the population in Pyrenees Shire had obtained university or tertiary qualifications compared to 15.2% for the State of Victoria. The lack of people with qualifications is restrictive of economic growth.
- While metropolitan areas are experiencing population growth, the reverse is often the case in rural towns. A common occurrence is the migration of 18 year old people from rural towns to metropolitan settlements to pursue education and career options. This has a twofold effect on demographics; it lowers the average age of citizens in metropolitan areas while increasing it in rural Victoria. As a consequence a focus of this local government is the opportunity that high speed broadband will bring for small business including home based business in order to retain youths in local communities and attract new residents.
- The return of people to the country often occurs when people who were raised in regional areas reach their mid-thirties and begin to raise their own families. Investment in facilities which enhance the liveability of country towns is required to meet the needs of these families.
• There is a lower socioeconomic demographic with lower educational achievement that relocate from cities to seek “affordable housing” in small rural communities.
• Access to skilled professionals particularly in health and education is difficult in regional and rural areas, often due to the different lifestyle offered in the country and in some cases isolation. While country towns may not be large distances from larger cities, isolation can occur where there is inadequate communications infrastructure and lack of access to good transport connections.
• Planning controls that apply to agricultural land have in the past prohibited investment in tourism, housing and lifestyle properties. The proposed reforms to planning controls will enable better investment outcomes.
• The impact of natural disasters such as floods, fires and drought contribute to direction of Council resources into recovery which often takes over twelve months to achieve. These disasters also result in the migration of a portion of the local population to larger settlements due to the hardship these circumstances create.
• A smaller ratepayer base to service assets over larger geographic areas usually with multiple numbers of small towns.

d) Identify the barriers to local economic development, including compliance costs for business and planning delays, in operating in local municipalities and develop solutions address these barriers

Barriers to economic development within the Pyrenees Shire include:-

• A more rapidly ageing population when compared with Victoria wide demographics. The median age for Pyrenees Shire is 47 compared with 37 for Victoria and there is 30.6% of our population aged over sixty compared to 19.7% for the state.
• A lower level of educational qualifications when benchmarked against our region and the state.
• The current provisions of the Farming and Rural Conservation Zone have been prohibitive to many types of development proposals, particularly those relating to tourism accommodation within Pyrenees Shire. There are currently a series of changes on foot to the current provisions of these zones that if approved would provide Councils with discretionary power to approve a range of tourist related accommodation and food service related uses. The draft documents for the Farming Zone changes also recommend that Industry be made a discretionary use, which will provide potential employment opportunities in rural regions. Council are generally supportive of these proposed changes and it is anticipated that the Minister will make a decision will be made in relation to the proposals by the end of 2012. In addition to this the Pyrenees Shire are about to exhibit a planning scheme amendment that will remove a number of existing permit triggers for minor buildings and works within various overlay and zoning controls, in addition some current
requirements to provide notice of particular planning applications to certain authorities will be removed. These changes will remove the need for unnecessary permit triggers as well as reducing permit processing times.

- Lack of connectivity by mobile phone and internet which is restricting the potential for improved productivity. For example a local winery and resort is losing ten hours per week in following up on line accommodation enquiries due to poor internet connections. Farmers also suffer from limited mobile phone and internet coverage to efficiently communicate for business purposes.
- The requirements of the Building Commission for Local Governments to issue “Place of Public Entertainment” permits for community festivals and events is impacting on our community and Shire resources in two ways.
  - The regulations imposed by the Building Commission are onerous on volunteer community groups in small rural communities due to the necessity for detailed documentation such as emergency management plans where in many cases there are relatively small crowds of less than 300 people.
  - Pyrenees Shire Council wishes to continue to support its small community groups with their events to enhance the connectivity and social wellbeing of the community. To do so occupies officer time and adds to the workload of Council’s Building Department thereby delaying approval of permits for construction of buildings and extending response times for developers.

  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

Municipal Councils can continue to work with State Government agencies such as DPCD and the Building Commission to minimize red tape which creates unnecessary time spent dealing with regulatory controls and administrative duties.

Local governments can continue to facilitate the consultation with and collaboration of regional communities in order to plan appropriate infrastructure that will encourage further investment, and undertake priority projects which are financially supported in partnership with the Victorian State Government as illustrated under point (b) of this submission.

Priorities for Pyrenees Shire Council include improved telecommunications, especially to support our two largest private sector industries of Agriculture and Wine Manufacturing/Tourism. Improved telecommunications are considered to be essential in supporting the development of home based and ecommerce businesses, thereby providing opportunity for younger people in our community.

Access to improved telecommunications infrastructure will have a major bearing on the ability to attract further investment and improved ICT remains a high priority for this municipality. In this regard training is about to be rolled out on the benefits of
high speed Broadband in partnership with Regional Development Victoria, University of Ballarat, Hepburn and Golden Plains Shire Councils through a Digital Enterprise Program.

Local government can also continue to work with State Government Agencies to develop and nurture strong linkages between the education sector and regional industry sectors to develop students who are ready for the workplace and therefore contribute to a skilled workforce. A factor currently restricting the potential productivity and investment in this municipality is the low level of academic achievement when benchmarked against data from the local region and state.

f) Investigate best practice local economic development initiatives relevant to the terms of reference

The Pyrenees Shire Council takes a proactive role in developing essential infrastructure which will attract investment and grow the population of the Shire.

Development of residential and industrial land, a sewerage system for Snake Valley and various community hubs and resource centres are examples of local initiatives instigated by the Shire to achieve this objective.

Extensive stakeholder consultation is undertaken to develop and review Community Action Plans and prior to undertaking essential projects such as streetscape improvements. The goals and objectives identified through these consultations are then used to inform Councils longer term strategic direction and priority projects.

Council is an active participant in the Central Highlands group of Councils which forms a subgroup within the Grampians Region of Regional Development Australia. Setting of regional priorities has proven to be very beneficial in implementing economic development initiatives within the Shire such as residential and industrial land subdivisions to encourage employment and population growth.

Yours sincerely

Ray Davies
Manager Economic Development and Tourism