6 September 2012

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

Dear Mr Coley

Re: Inquiry into Local Economic Development Initiatives in Victoria

Please find our submission into the Inquiry into Local Economic Development Initiatives in Victoria.

Overview of Corangamite Shire
Corangamite Shire is located in the middle of the Western District of Victoria. The Shire has a distinct north-south orientation, with the town of Skipton and the Glenelg Highway forming a northern boundary and Port Campbell and the Victorian coastline forming the southern boundary. Camperdown is the largest town within Corangamite and is located approximately 200 km (two hours drive) from Melbourne.

The main towns in Corangamite are Camperdown, Cobden and Terang. The Shire has a total population of around 17,000.
The major employing industries in the region are agriculture, manufacturing, retail trade, construction, education and health care and social assistance. Corangamite Shire has consistently low unemployment levels.

The industries with the largest number of businesses are agriculture, forestry and fishing, property and business services, construction, retail trade and transport, and transport and storage. The Shire’s economic growth has depended on its primary industries.

Corangamite Shire enjoys a position as a major stakeholder in the Victorian and Australian Dairy Industry; 22% of workers in the Shire are employed directly in dairy cattle farming. The Dairy Industry yields large flow on benefits for other sectors in the Shire, including transport, storage, dairy processing and the service sector.

Tourism is a major economic driver, particularly in the south of Corangamite Shire. This is demonstrated by Port Campbell National Park and the Twelve Apostles, which have an annual visitation of over 2.5 million people.

Corangamite enjoys an abundance of natural energy and gas resources that has attracted large-scale investments in recent years; these resources include wind supplies and natural gas deposits within the Otway Basin.

Terms of reference for the inquiry and responses are listed in the sections below.

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

The Corangamite Shire Economic Development Strategy 2011-2016 identified six main strategic directions that Council is committed to undertake. The strategic directions and projects include:

1. Strategic Direction 1: Drive Population Growth to Create a Self-Sustaining and Vibrant Community
   - Attendance at expos and promotional material and multimedia.
   - Work with skilled migration program to attract skilled and non-skilled labour.
   - Promotion of towns as an affordable and alternative option to nearby regional centres.

2. Strategic Direction 2: Capitalise on the Great Ocean Road by Drawing Visitors North through Product and Infrastructure Development and Marketing
   - Land rezoning, Tourism Opportunities Study and site identification.
   - Provision of visitor information services.
   - Marketing promotion and advertising of tourism through various media mediums.
   - Tourism development through investment and structural change.
   - Development of food, cycling and walking trails.

3. Strategic Direction 3: Capitalise on the Strengths of the Shire’s Dairy Industry
   - Work within dairy and agricultural networks for further development opportunities.
   - Investment attraction for agricultural related industry.
4. Strategic Direction 4: Diversify the Economy through Investment Attraction and Promotion of Innovative Land Use
- Business infrastructure support program.
- Business facilitation for new and existing business expansion.
- Assistance with development of business infrastructure and facilities.
- Facilitation of industry groups, building, retail, food and home based businesses.
- Buy local campaign.
- Support for farmers markets.
- Industrial land review and rezoning of industrial land.
- Business attraction and investment.
- Keeping business informed through newsletters and contacts.

5. Strategic Direction 5: Improve Workforce Capacity and Productivity through Education and Training
- Small business advice, networking, seminars and training.
- Business and entrepreneurial development.
- Liaison with industry groups, education providers and communities.
- Facilitation of industry clusters to support growth.

6. Strategic Direction 6: Enhance Township Vitality by Developing Vibrant and Diverse Retail Centres
- Revitalising streetscapes and business centres.
- Support for major events.

Examine the appropriate role of local government in generating economic development and review the allocation of responsibility in this area with State Government
Local government has a very important role to play in generating and assisting economic development at a local level. The provision of infrastructure for business and lifestyle are very important and assist in population attraction and retention.

Council’s economic development staff have a close relationship with most of our businesses, which is pivotal as most new economic activity comes from expansion of existing businesses. Local knowledge and trust are important factors when businesses are looking at expansion and start up. Businesses need confidence in location, local leadership, appropriate infrastructure and trusting relationships with councils that make important financial decisions less confusing.

The State Government’s role in the following areas would assist Council:
- Planning policy and control (zoning)
- Building control
- Grant funding for business development
- Grants to improve the liveability of country towns e.g. Streetscapes, arts and culture.
- Grants to assist in the provision of infrastructure for land development.
- Incentives such as tax relief for people relocating to rural areas.
- Access to labour and attraction of population. Especially medical and professional services
- Migration policy and visa requirements
• Attraction of property development.

Examine whether the role of local government in rural and regional areas has different economic development tasks to that of metropolitan based municipalities. There are many different economic development challenges that don’t have the same impact on metropolitan councils.

Rural councils don’t have the resources to devote attention to these areas and these issues don’t have the same priority as city based municipalities.
- Population retention
- Business attraction
- Property development and housing
- Provision of infrastructure. Important to business, waste treatment, labour, transport, markets and energy
- Public transport availability. To meet requirements of workforce and education
- Social and cultural facilities and assets that improve liveability
- Higher education availability and the ability for students to live at home.

Identify 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 increased requirements and complexity of the planning process and the time that business owners expect to comply seems to be the biggest issue.

Flexibility in zoning for businesses in farm zones is another issue that has been taken out of Council control.

Councils’ ability to adequately resource economic development are always stretched, as the need for people to work in population attraction, events management, business networking and the diversity of requirements that our businesses demand are a challenge that many councils are unable to perform.

Government focus and concentration of services into regional centres and the lack of public transport are still major impediments.

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.
- Infrastructure improvements. Road, energy, waste treatment, social and cultural
- Public transport improvements
- Population attraction inducements. First home buyer’s grants, tax incentives
- Incentives for property development. Deferral of head works charges, loan opportunities
- Incentives for business attraction including tax incentives
- Skilled and non-skilled migration policy.

Investigate best practice local economic development initiatives relevant to the terms of reference.
Councils are unable to access information from major companies looking at our areas for expansion.

Many major investments are coming to State Government and decisions are made without the knowledge or input from Local Government.

Other areas include clear roles and greater collaboration between State and Local Government in the provision of services and infrastructure.

The State Government should continue to assist local Government resource the identification and rezoning of land to attract new industrial and tourism development.

Creation of a business infrastructure support program to provide low interest loans to business for infrastructure improvements will assist new and expanding businesses.

Local Government assistance in attraction of large business and industry groups needs the financial support of State Government.

Probably the most critical issue facing rural Victoria is the issue of population retention and attraction. Government needs to address this issue through incentives or concessions to alleviate the congestion in metropolitan areas and ensure the sustainability of communities outside the Capital and major regional centres.

Yours sincerely

Andrew Mason
Chief Executive Officer