Bass Coast Shire Council's response to the

_Inquiry into Local Economic Development Initiatives in Victoria_

Terms of reference:

_Received from the Legislative Assembly on 20 June 2012:_

That under s 33 the _Parliamentary Committees Act 2003_, the Economic Development and Infrastructure Committee is required to inquire into, consider and report no later than 24 June 2013 on issues relating to local economic development initiatives in Victoria and, in particular, the Committee is requested to:

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

A range of approaches is taken by municipalities to improve the economic standing of their respective municipalities. In Bass Coast our approach is to improve the overall liveability of the region - factors such as lifestyle, key infrastructure, leisure, art & cultural experiences, access to good education and health care, clear land use structure planning as well as a strong and resilient business sector are key components.

By achieving this it makes Bass Coast a desirable location for new businesses to relocate to and it improves the opportunities for existing businesses to grow their enterprises.

Council avoids offering short term, unsustainable incentives to attract businesses to the region as we want them to come because all the key determining factors are favourable, thus making long term operation in the region more likely.

Some of the specific activities / programs Council undertakes include:

- Customer service skills development
- Annual Bass Coast Business Awards
- Business network development specifically through business associations
- Information collection and dissemination via website and newsletter.
- Production of quality reports eg Bass Coast Economic Outlook Report 2012 - 2017
- Employment portal attached to business website
- Buy local program
- Advocacy for infrastructure development eg high speed broadband, natural gas and transport improvement.
- Facilitation of new investment by producing quality collateral and meeting with prospective business operators
- Promotion of the municipality via collateral development, attendance at Expos and forums eg Regional Victoria Living Expo 2012
- Relationship development with business community
- Relationship development and access to government departments and funding
- A diverse events program spread across the Shire and throughout the year.
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;**

Local Council staff, specifically through Economic Development teams generally have excellent relationships with local business operators. This relationship is critical for understanding the needs of local business operators and developing programs that meet these needs eg customer service training.

Addressing these needs on a scale beyond individual municipalities is a key role that can be met by the State Government. Accumulating the collective 'intelligence' from local Economic Development staff and using it to develop programs which meet the needs is a vital role.

So is providing funding to undertake both targeted / specific programs as well as bigger scale projects which may be beyond the scope of individual Councils to initiate and finance. Often local interests inhibit these projects, but strong leadership from the State may be able to expedite them.

State Government has the benefit of being able to make non partisan assessments of what will be of most benefit to the region, and then work with the relevant Councils to make it happen. It does not work so well when State Governments set an agenda or a funding program which is not aligned with the needs of the communities it is set up to serve.

The key roles identified for Council and the State Government are summarised below:

**Council:**
- build local networks and relationships
- collate and disseminate accurate information
- identify business development opportunities
- facilitate training and skill development
- act as a resource 'one stop shop'
- feed information up to local State Government representatives and work with them to implement relevant projects at a local level

**State Government:**
- Establish relevant grant funding programs
- Cross departmental information sharing and clear communication of that information to the regions eg grant funding criteria
- Be receptive to regional needs rather than dictating them
- Utilisation of local knowledge
- Higher level planning of regional needs and solutions
c. 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 challenges facing rural and regional Councils compared to metropolitan. Some of these include:

- much greater infrastructure costs eg transport infrastructure in regional areas
- limited public transport making it hard for people to get to work or training especially apprentices
- access to training institutions and services, eg library, university
- basic infrastructure such as high speed broadband, natural gas and often limited choice of suppliers
- seasonality impacting upon demand, eg Phillip Island permanent population of approx 10,000, summer holidays 60,000 plus
- overburdening of inadequate infrastructure at peak holiday times
- many remote, aged and disadvantaged constituents that need access to services
- seasonality impacting upon business sustainability and ultimately upon business diversity
- Non resident rate payers eg 50% in Bass Coast - this means fewer people in the community to sustain local businesses, volunteer and contribute their time and skills.
- Replication of infrastructure in a number of small communities, eg health and recreation services,
- The Economic Development role is a much more generalist role

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;

One of the biggest barriers for businesses in Bass Coast is the significant seasonal variation of visitors. Big variation between summer peaks and winter lows have made year round operation difficult for many businesses.

Council is addressing this by promoting events and additional visitation at off peak times to even out the variation. It has also undertaken the structure planning required to release land to build the permanent population of the Shire. This reduces reliance of seasonal visitation.

The complexity of the whole process to establish a green fields business in rural and regional areas is also a barrier. There seems to be increasing requirements for consultant reports and planning complexity which makes the whole process longer. This then increases the capital required to sustain the establishment of a new development before it starts generating any income. Changes to State Government planning policy impact on this as Councils then have to change the way they process applications, while at the same time trying to educate the developers and business owners about the process.
Some of the barriers to local economic development in Bass Coast are summarised below:

- Increasing complexity of establishing a new business
- Increasing compliance requirements to operate any business, eg OHS, risk, health etc
- Lack of Shire wide access to key infrastructure - broadband, transport, natural gas
- Planning restrictions and zoning limitations, as well as the impact of State Government changes to the planning scheme, eg hasty implementation of the farm zone in 2007.
- 'One size fits all' approach to planning that does not always recognise differences between metropolitan and regional / rural needs
- Time and cost of planning amendments
- Seasonal visitation
- Limited population centres and poor transport between centres
- Access to training locally and ready supply of appropriately skilled staff
- For rural communities, state government focus and concentration of services and funding on regional centre eg Latrobe Valley in Gippsland

**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**

- The Victorian Regional Living Expo initiated by the State Government was a good initiative and should be continued
- Invest in local training. This keeps young people in the region while they are training and makes it more likely they will stay once training is completed. There is the potential for cuts in TAFE funding to hurt regional areas very badly in this regard.
- Invest in closer links between training providers and key employers in the region. If necessary support the development of scholarships which facilitate the training but in return tie the graduates to the employer for a period of time.
- Ensure training and skill development is available specific to the job opportunities in the region.
- Dissemination of Government services - location of multiple satellite offices in rural centres rather than a concentration in big regional centres
- Support retention of highly skilled people in local communities rather than commuting to Melbourne for work ie. develop specialised / high skilled enterprises in local communities. More feasible as high speed broadband becomes available.
- Clearer delineation of Local and State Government roles in economic development, strategic planning and the funding of key initiatives
• State Government generally responsible for strategic planning that affects the whole state, Councils responsible for local level initiatives that are aligned with State Government Planning.

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

• Clarity of the roles between State and Local Government and a high degree of collaboration between the two will deliver best outcomes for rural and regional areas
• Regional Victoria Living Expo a good example of collaboration between State and Local Government. Clear roles underpinned by a strategic plan. Fostered good collaboration between regional Councils, eg all six Gippsland Councils collaborated on a joint stand
• Local Emergency Response Plan driven by local Department of Business and Innovation has been an effective collaboration between State and Local Governments
• Improved access to and more effective use of IT to reduce social and business disadvantage
• Grant funding structured to accommodate community needs aligned to Government priorities
• More effective use of local knowledge gathered by Council staff specifically Economic Development teams, aggregated up and used to drive State Government policy formation.

Peter Francis
Economic Development Manager
Bass Coast Shire Council
08 August 2012

Call for submissions


The Committee is requesting submissions addressing the Inquiry’s terms of Reference by 17 August 2012. Submissions to the Inquiry can be made via the eSubmission form, emailed electronically in MS Word or PDF format to edic@parliament.vic.gov.au or sent via post to:

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

Submissions formally accepted by the Committee can be downloaded from the submissions page.

For information on what to include in a submission, visit the making a written submission page, or contact the Committee secretariat.