Memorandum

To: Chad Griffiths
From: Darko Popovski
Cc: Ransce Salan
Date: 13 August 2012
Subject: Parliamentary Enquiry into local economic development initiatives

Below is an outline of Nillumbik Shire Council economic development and tourism activities in response to the State Government Enquiry into local economic development initiatives.

1. Economic Development in Nillumbik – Background


The strategy is organised into five inter-linked themes:

1. **Activity Centres** – revitalise our commercial heart: Maximise retail spending and reduce leakage, increase jobs and improve living opportunities in Nillumbik’s activity centres.
2. **Business Development** – focus on success and growing the base: Assist business formation, longevity and networks.
3. **Tourism** – nature, culture, food and wine: Develop our attractions and improve visitor infrastructure, cross promotion and networks.
4. **Arts** – celebrate our creative heritage: Capitalise on the creative heritage of our Shire and position it as a continuing centre for the arts.
5. **Rural/Green Wedge Economy** – make the most of our green wedge environment: Create opportunities for sustainable agriculture and improved bush land management. Support “smart green” industries more generally.

Across these themes, the core functions provided by the Councils’ Strategic & Economic Planning unit include:

- Information and Communication;
- Leadership, advocacy and governance;
- Business and Industry development programs;
- Strategy and project delivery;
- Connecting people and strengthening relationships.

The economic development strategy is just one facet of Council’s overall program to deliver its vision for Nillumbik. Council has a range of other policies and strategies to achieve environmental, social and governance objectives as guided by the Council Plan 2009–2013.
2. **The Role of Economic Development in Nillumbik**

The Strategic & Economic Planning unit at Nillumbik Shire Council supports a healthy, innovative and sustainable local economy that meets the needs and the aspirations of the local community.

The main local issues identified through the development of the strategy and the consultation process includes:

- Lack of adequate public transport options;
- Very high levels of car dependency and commuting times;
- Significant retail expenditure leakage;
- High infrastructure costs;
- Lack of local jobs opportunities especially ‘green jobs’.

Nillumbik Shire Council is the largest employer in the Shire and across its whole range of programs is a significant investor in the municipality. However, its most important roles in economic development are:

1. Leadership and strategic planning;
2. Attracting and retaining investment;
3. Improving the asset base;
4. Provision of community goods and services.

To meet these challenges, the local priorities are structured around:

1. The Strategy implementation;
2. Activity Centre structure plans;
3. Visitor experience (tourism); and
4. Business development services (Enterprise Nillumbik). The aim is to provide the very best programs and services to meet the needs and aspirations of local businesses and the broader community.

The Strategic & Economic Planning unit coordinates the organisation’s efforts around the delivery of services to business. Core services include the delivery of business development programs, mentoring, networking events, business communications, business awards program, direct business liaison and trader association support.

**Expanding investment opportunities and investment in Activity Centre**

The Nillumbik activity centres are expected to play a significant role in providing for the changing housing needs of the municipality over the next 20 years.

Nillumbik has two Major Activity Centres (MACs), Eltham and Diamond Creek.

Neighbourhood and Local Convenience Centres providing convenience retailing include:

- Hurstbridge (which also has a potentially strong tourism function)
- Research
• Bolton Street
• Apollo Parkways

A range of local centres provide top-up convenience goods and services as well as some tourist functions (markets, cafes and restaurants etc.):
• Christmas Hills
• Kangaroo Ground
• Panton Hill
• Smiths Gully
• St Andrews
• Wattle Glen
• Yarrambat.

Activity centres are where most of the jobs in Nillumbik are located. Activity centres provide shopping, commercial and community services; they are meeting places for the Nillumbik community and are often the showcases of the municipality to the outside world. It is likely that investment in activity centres will make the biggest impact on the local job-deficit. In terms of size:

**Eltham**
• 24,800 sq m of retail space including three supermarkets and a wide range of specialty shops
• 12,000 sq m of office space
• A primary trade area with over 23,000 residents and a main trade area (primary and secondary trade areas combined) with over 50,000 residents
• Retail escape spending from the main trade area of 64% (in 2004).

**Diamond Creek**
• 13,000 sq m of retail space including two supermarkets and a range of specialty shops
• 5,100 sq m of non-retail activity space
• A trade area with approximately 23,000 residents
• Retail escape spending from the trade area of 70% (in 2006).

In retail terms, Eltham and Diamond Creek provide extensive convenience shopping (groceries, pharmacy goods, newsagents, hairdressing etc.) and a limited range of shopping for comparison goods (clothes, appliances, books, jewellery, furniture etc.).

Both the Eltham and Diamond Creek major activity centres have adopted structure plans, and Council is currently undertaking a number of projects to advance their implementation. This includes Amendments C51 and C53 to the Nillumbik Planning Scheme to rezone each centre to facilitate investment and job creation; the preparation of a master plan for precincts 3 and 4 in Eltham to encourage the redevelopment of under-utilised government land; and the redevelopment of the Eltham Town Square to create a vibrant, food-based destination in the north-east of Melbourne.
Tourism

The visitor experience (tourism) service coordinates the organisations effort around the support and development of the local tourism industry. Core services include the partnership with the Nillumbik Tourism Association (accredited LTA) and the implementation of the new Three Year Strategic Plan for the Visitor Experience in Nillumbik.

This includes visitor research and data collection, regional collaboration, development and management of key visitor communications channels, development of local tourism product and ongoing visitor service improvements.

The Strategic & Economic Planning unit also participates and is actively involved in many regional groups and initiatives such as:

- Northern Region RDA / RDV
- NorthLink
- Melbourne Valley of the Arts
- NAGA (Northern Alliance For Greenhouse Action)
- Destination Melbourne
- Economic Development Australia
- Tourism Victoria
- State Government Department of Business and Innovation.

RECOMMENDATION 1:

*That the Inquiry considers both, government policy support to deliver on local infrastructure needs and additional funding for local infrastructure improvements.*

*It is also recommended that funding is needed to support regional groupings.*

*Adopt a whole-of-government approach to activity centre planning and funding, as per the recommendations of the Melbourne 2030 Audit.*

*Greater government (or semi-government corporations) intervention in activity centre development, to assist: with site consolidation; leading by example; helping to create a ‘critical mass’ for centres and providing more affordable and sustainable housing.*

3. Nillumbik Program – Enterprise Nillumbik

Enterprise Nillumbik is a dedicated Council service to support local businesses. It’s a unique mix of services and programs to assist business owners and managers to improve and grow their businesses into stronger and more sustainable enterprises; encourage and assist new business start-ups; and foster innovation locally.

The program includes:
• Support for business organisations in the Shire, including traders associations, Nillumbik Tourism Association and the Small Business Network;
• Support to enterprises seeking to invest in the municipality, including a strategy for promoting Nillumbik as a preferred place to do business;
• Continued support for home-based businesses to establish in Nillumbik by promoting such businesses;
• Establishment of the one-stop-shop business portal to provide timely information on business issues, including contacts and opportunities locally.

Enterprise Nillumbik business services and programs are grouped into five streams:

• **Enterprise Assist** – a one stop shop for information and advice, providing local businesses with easy access to information, referrals, mentoring and assistance.

• **Enterprise Engage** – an industry wide business development program delivered in partnership with key local stakeholders providing more opportunities for local businesses to participate in improvement programs and networking.

• **Enterprise Grow** – assists local businesses with strategic support and policy development, research and analysis, business tools, special projects and marketing activities.

• **Digital Enterprise** – broadband business needs assessment.

• **Green Enterprise** – online green business community and resources.

**RECOMMENDATION 2:**

*That the Inquiry considers increase in government funding for local business development programs and further addressing the ‘red tape’ issues.*

4. **Rural Economy**

Following the devastating fires in 2009, many communities within the Nillumbik were affected directly such as Strathewen and St Andrews townships, and indirectly the surrounding areas and the whole region including Hurstbridge.

Nillumbik Shire received limited funding from Regional Development Victoria to deliver a series of business events, networking and business development programs to support businesses in the affected areas.

This program was delivered during 2011 and in partnership with the business community and residents in the affected areas through targeted programs aimed at the local business operators providing practical support through networking and business development activities to assist with their economic and personal recovery.

Currently, Council continues to provide business support to businesses in the area through its Shire-wide Enterprise Nillumbik service and programs which is funded by Council through the Strategic and Economic Planning unit.
The current support is considered insufficient (based on the continuing demand from the affected area) and Council officers continue to seek additional funding.

**Agriculture**

The principal agriculture products of the Shire are beef cattle, sheep, grapes and orchard fruit, although there are also a wide range of minor farm products including pigs, goats, buffalo products, alpacas, horses and mushrooms.

Large parts of the rural areas of the municipality are in the public reserve system (Kinglake National Park, reserves along the Yarra and Plenty Rivers, Sugarloaf reservoir catchment area etc.) or are in areas of rural residential development where the subdivision pattern is generally too small to support fully commercial farming. The area of the municipality that is utilised for farming and agriculture amounts to only 16% of the land area of the Shire (ABS, 2010).

Nevertheless there remain some substantial commercial farming enterprises and agriculture is an important economic activity. The main advantage of Nillumbik as a farming location is its proximity to Melbourne markets.

Research for the Green Wedge Management Plan (Essential Economics, 2008) indicates that there are approximately 200 agricultural enterprises in Nillumbik which support around 150 jobs. The largest of these businesses produce from orchards and vineyards, although there are also a number of significant beef producers.

The main finding of the 2010 Outer Suburban/interface Services and Development Committee report: Inquiry into sustainable development of agribusiness in outer suburban Melbourne is that agriculture is one of the best uses of Green Wedge land. It manages and preserves the landscape, supports local jobs and local economies, allows access to fresh and healthy food close to consumers and holds opportunities for the management and re-use of waste and water’ (Outer Suburban/interface Services and Development Committee 2010, p.121).

Future opportunities for the agricultural sector might include farm stays, development of overnight accommodation, cottage industries, restaurants, wineries, small scale intensive primary production and fresh produce (Essential Economics 2008, p. 7). The current trend towards locally produced fresh foods is a significant opportunity and outlets include farmers markets and, potentially, shops in the townships.

**Tourism**

Nillumbik’s Green Wedge is part of the rural playground for Melburnians and their visitors. The bushland and pastoral backdrop provides the setting for a variety of activities including:

- Weekend markets, events and festivals
- Wineries
- Diamond Valley Railway
- Edendale Farm
- Local farm products
• Arts and crafts galleries and studios
• The Artists Trail along the Yarra Valley
• Accommodation (approximately 17 establishments with a total of 84 rooms)
• Cafes, restaurants country pubs and function centres
• Plant nurseries
• Health and relaxation enterprises
• Shared trails including Diamond Creek trail and Ring Road trail that connect with CBD
• Closest country towns to the city
• Popular routes for road cyclists and mountain bike cyclists.

As part of its adopted Green Wedge Management Plan, Council supports the establishment of low scale, low impact economic activity suited to the area. This includes activities which do not have a negative impact on agricultural production, environmental values and characteristic landscapes.

**RECOMMENDATION 3:**

*That the Inquiry considers increase in government funding for bushfire affected areas.*

5. **Barriers to local economic development**

**Important challenges**

• Economic Development Strategy Implementation Plan and resourcing;

• Delivery (and improvements) of business development and training programs – ensuring business advice and development programs best support our local business community through the current economic climate;

• Activity Centres planning and promotion – managing the delivery of services and projects in and around activity centres to ensure improved liveability for the local community;

• Visitor experiences – establish seasonal visitor information to be circulated throughout Council locations and channels, places of accommodation, local attractions and selected retail outlets.

**Global and local economic trends**

The current global economic climate, the volatility of the financial markets around the world and contractions in the developed world are the most important issues at the moment. The business confidence is at low levels and continuing fall in commodity, property and share prices combined with reduced economic activity and higher unemployment, is putting additional pressure on both, developed countries and the
developing world or countries in transition. It is expected that most countries will experience much weaker growth than initially expected.

Therefore, it is expected that these global movements will have an effect on the local economy as well. This is more evident in some industries such as the retail sector and the tourism and hospitality businesses.

As result of this, our unit is experiencing increased demand for business assistance and support programs. With continued adequate support, the local economy can become even more resilient and continue to grow during these challenging times.

Visitor experience in Nillumbik

Tourism has been a significant part of the economic and cultural development of the Shire and is critical to our future as a destination on its own with its natural attributes and as creative and welcoming place.

Council has a responsibility to manage and develop the tourism industry in the best interests of the local community. In its simplest form, this includes developing a deeper understanding of tourism and visitation and its impact on the local environment and the community life; providing visitors with up to date information on what to do and where to go and to work with the local industry to mitigate negative impacts and maximize opportunities.

6. Victorian Government supporting local economic development

If Nillumbik is to realise its potential and Council to deliver on its economic development goal over the next four years, a better funding and resourcing model is imperative for change to occur.

Managing issues between businesses, the community and council is an ongoing challenge. The services provided by the Strategic & Economic Planning unit have been developed to directly assist our ability to manage relationships with the local business community.

By illustrating our commitment to supporting local business through a range of products and services, we are able to more meaningfully engage with local business on issues relevant to them.

As Council continues to experience increased demand for business assistance, with continued support by the State Government, the local economy can become even more resilient and continue to grow [building local capacity].
Appendix

ECONOMIC DEVELOPMENT AND INFRASTRUCTURE COMMITTEE

Terms of Reference

57th Parliament

Received from the Legislative Assembly on 20 June 2012
Inquiry into local economic development initiatives in Victoria

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;

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;

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

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;

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

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

Call for Submissions

The Committee is currently accepting submissions addressing the Inquiry’s terms of reference. The closing date for submissions is 17 August 2012. Submissions to the Inquiry can be made electronically via the eSubmission form, or sent by email in MS Word or PDF format to edic@parliament.vic.gov.au

Alternatively, submissions can be sent via post to the following address:

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

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

All submissions are public documents (unless confidentiality is requested and granted by the Committee) and will be available for download here once they are formally accepted by the Committee.