THE SOUTHERN MELBOURNE RDA COMMITTEE

As one of the 55 RDA Committees across Australia, the Southern Melbourne Regional Development Australia (RDA) Committee builds partnerships between the three levels of government, local industry, community and other regional stakeholders to provide responses to economic, infrastructure and social issues affecting Melbourne's south.

The Committee is an important link between the Commonwealth and Victorian Governments, the 10 Local Governments in Melbourne’s south and the many regional stakeholders.

The RDA’s core business is to develop a regional framework which supports a growth economy and the sustainable use of economic resources. Partnerships are an essential ingredient for the RDA Committee to work effectively in the region and to garner local traction for the projects it undertakes. This collaboration and partnership agenda is woven thorough all of the work in which the Committee engages. The 10 local government authorities (LGAs) which form part of the southern region are integral to this co-operation.

A REGIONAL APPROACH

Regional development means developing the full potential of a region and its people to achieve economic prosperity, social cohesion, cultural richness, environmental sustainability and an attractive built and natural setting.

Achieving maximum potential involves tackling major issues such as transportation, communications, climate change, population growth, globalisation of the economy and changes in technology. In order for each region to reach its full potential, communities must join forces and work together at the local and regional level with State and Commonwealth governments, industry and education.

Taking a ‘whole of government’ approach also means that Local, State and Commonwealth government programs, and funding, can be tailored to deliver the most effective and efficient results for a region. Such funding partnerships provide better outcomes for the region with better use of public and private funds.

THE SOUTHERN MELBOURNE REGION

The Southern Melbourne RDA region comprises the 10 municipalities of Bayside, Casey, Cardinia, Frankston, Glen Eira, Greater Dandenong, Kingston, Mornington Peninsula, Port Phillip and Stonnington.

The wide spread of the Southern Melbourne RDA region (70 kilometres from end to end and across 10 municipalities), makes it a diverse, complex mix of demography and geography. Attempting to describe the economic and social landscape by reducing it to regional averages disguises significant differences between its inner and outer reaches. With a population of 1.3 million people, and municipalities which are urban and peri urban, the region has a wide variety of attributes:

- Established, densely populated inner urban areas in the south west of the region;
- Dynamic and highly industrialised areas in the central part of the region;
- Rapidly expanding population growth corridor in the south east of the region;
- Agricultural and rural areas in the outer south east of the region.
Striking diversity across municipalities in socio-economic status, education and cultural background.

The region's relationship with central Melbourne and other parts of the larger metropolis is multi-faceted, reflecting its breadth and diversity. Whilst the inner municipalities have strong links to the CBD, the south east of the region has an increasingly self contained industry base, several university and further education campuses and two significant CAAs at Frankston and Dandenong, the latter of which is increasingly being touted as the 'regional capital'.

THE RDA's SUB REGIONAL APPROACH

The Southern Melbourne RDA has identified 3 sub-regions or ‘municipal clusters’ to better describe this diversity and complexity and to assist in the analysis of issues and priorities.

A summary of the cluster characteristics is as follows:

INNER CLUSTER:
Estimated Population 422,000

- Comprises the Cities of Port Phillip, Bayside, Glen Eira and Stonnington, an established residential group of municipalities close to Melbourne's CBD:
  - characterised by relative affluence, slower population growth, an ageing population and a large numbers of university educated, professionally employed residents;
  - Bayside and Stonnington have the highest number of households earning over $2,000 per week, Port Phillip has the highest number of
residents employed in Property and Business Services reflecting the higher educational and socio economic status of their residents;
- small pockets of social disadvantage and unemployment, notably in St Kilda, Hampton and East Hampton.

CENTRAL CLUSTER:
Estimated Population 409,000

- Comprises the Cities of Kingston, Greater Dandenong and Frankston, which are experiencing medium population growth and have a strong and dynamic manufacturing base:
  - Greater Dandenong provides employment for surrounding municipalities, particularly Casey and Cardinia;
  - characterised by areas of high unemployment, persistent social disadvantage and a large, ethnically diverse population;
  - Dandenong and Frankston designated as Central Activity Areas (CAAs) and their revitalisation will strengthen the region’s ultimate transition to a polycentric urban structure.

OUTER CLUSTER:
Estimated Population 484,000

- Comprises the City of Casey and the Shires of Cardinia and Mornington Peninsula:
  - productive agricultural land located around Port Phillip and Western Port, also an UNESCO declared biosphere;
  - Casey and Cardinia defined by residential expansion and projected to have the highest population growth in Melbourne over the next decade;
  - these municipalities face major infrastructure and service provision challenges;
  - Mornington Peninsula has a strong tourism base and is characterised by the most rapidly ageing population of the region;
  - Port of Hastings is a crucial element in the region’s future economic development and in its transport and logistics infrastructure.

RDA REGIONAL PLAN & PRIORITIES

All RDAs prepare a Regional Plan which summarises regional issues and establishes key priorities to facilitate change within their respective regions. Priorities encompass economic, social and environmental considerations. The Regional Plan is the core document that provides, through consultation and analysis of data, an evidence based framework for the development and implementation of RDA projects and activities.

The Southern Melbourne RDA’s Regional Plan - A framework for Supporting Growth & Sustainability in Melbourne’s South - articulates 4 strategic priorities:

1. The polycentric city;
2. Transport, freight, ports and infrastructure;
3. Key industry sectors: specifically manufacturing, agriculture and tourism;
4. Social inclusion: specifically skills, employment, education and training.
RESPONSE TO INQUIRY TERMS OF REFERENCE

The RDA Committee’s response to the Terms of Reference will focus on the broader ‘macro’ issues of a cross municipal or regional nature.

Term of reference (b)

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 Authorities (LGAs) have a strong role to play in terms of generating economic development, not only within their municipalities, but across a region.

All LGAs in the southern Melbourne RDA region have developed their own economic development strategies. These strategies provide a planned, usually 3 to 5 year, context for what they want to achieve, relevant to local needs and assets. Nonetheless, the majority of LGAs acknowledge they cannot deliver their economic development objectives on their own, and frequently collaborate in activities and investments with other levels of government and with the private sector.

Some examples of this collaboration in the southern Melbourne RDA region are:

1. The formal partnership formed by Casey/Cardinia to increase business and employment investment in the area and lobby for infrastructure development;
2. The partnership between Frankston and Mornington Peninsula tourism;
3. The partnership between Kingston and Glen Eira in relation to business development activities such as the Mentors Partners Program and network groups;
4. Melbourne’s South East (MSE), a coalition of the economic development managers of 10 LGAs, a number of utilities, ConnectEast and the southern and eastern RDAs which undertakes strategic cross municipal projects;
5. South East Business Networks, which is the business networking arm of the City of Greater Dandenong (CGD), and brings together companies from across the south east region to strengthen knowledge and capacity primarily in relation to the manufacturing sector;
7. The Inner Melbourne Action Plan which is a collaborative partnership between Port Phillip, Stonnington, Melbourne and Yarra. These inner Melbourne LGAs collaborate to increase their liveability, attraction and prosperity;

The LGAs in the southern Melbourne region cluster their activities and work collaboratively, as well as independently. They understand that economic development does not stop at a Council’s borders but is woven into the development fabric of the overall region. Undoubtedly, the success of local municipal economies
is linked to the success of the regional economy and is influenced by the investment, planning and business decisions of neighboring municipalities.

Increasingly, LGAs must be strategic, foresightful and flexible in their approaches to economic development combining both a local focus with a regional perspective. State Government can do much to support and facilitate this approach through the Department of Business and Innovation working closely with both LGAs and regional bodies such as the RDA.

**Term of Reference (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 southern Melbourne RDA region encompasses both urban and peri urban/ LGAs. The growing peri urban municipalities face quite different economic development tasks to the established, urban municipalities. The municipalities of Casey, Cardinia and Mornington Peninsula are considered peri urban or interface councils. In addition to having different economic development needs to the rest of the metropolitan based municipalities, they also face different challenges to each other.

One of the key issues in relation to the role of local government in rural and regional areas is how metro and rural are defined. Some peri urban LGAs which are defined as metropolitan are largely rural. The Shire of Cardinia is a case in point with 85% of the Shire designated as rural. As a consequence of this definition, peri urban LGAs have rural issues to overcome in addition to metropolitan issues. As an example, issues common to peri urban LGAs in the southern Melbourne region are the inadequacy of road and public transport infrastructure, poor land use planning, difficulty in accessing local employment and difficulty in attracting investment.

Development in peri urban areas is often dynamic and rapid. Casey and Cardinia, in particular, have been characterised by accelerated population growth and a changing economic and employment structure. These councils have had to manage changes in land use planning, major infrastructure and housing developments and the challenge of attracting business and investment to areas which are over an hour’s drive from the CBD.

Peri urban LGAs have the additional challenge of ‘managing’ agricultural and green wedge land. They play a major role in ensuring that land and farming practices are integrated with municipal planning objectives regarding buffer zones, catchment management, bio-diversity conservation and landscape protection. Issues related to land use planning faced by peri urban councils are:

1. Access to locally grown food: an increasingly important role played by peri urban LGAs as locally grown produce strengthens economic diversity for the whole region and provides tourism and employment advantages;
2. Future proofing: retaining farmland close to Melbourne preserves options which will not be available if the land is converted to housing;
3. Liveability: the municipalities of Casey, Cardinia and Mornington Peninsula have significant areas of green wedge land, biodiverse flora and fauna, water supply and farmland. These areas provide a focus for tourism and are the urban-rural buffer for Melbourne’s south east or the “lungs” of the metropolis.
The economic development of these non metropolitan LGAs areas is complex and needs to be managed differently to municipal LGAs.

The following examples illustrate the diverse and challenging economic development tasks currently faced by south east Melbourne’s peri urban municipalities:

- Higher infrastructure costs (proportionally more money is spent on roads per capita in rural/regional LGAs compared to metropolitan LGAs);
- A lower rate paying base (in Cardinia this means that less funds are available for infrastructure and essential services);
- Location on the metropolitan fringe (85 to 90% of the Cardinia is designated as ‘rural’);
- Inability to access State and Federal funding which is designated ‘rural’ (for many peri urban LGAs, grants form a substantial source of revenue. In the Southern Melbourne RDA region, this puts Cardinia and Mornington Peninsula at a financial disadvantage);
- Infrastructure provision and land release challenges are greater (although Casey/Cardinia is an identified growth area, there is still a lack of infrastructure to attract investment e.g., roads, rail, gas, water, broadband. This makes it difficult to attract new businesses despite adequate land availability);
- A large proportion of households in outer urban areas are over-dependent on cars and commute outside their LGAs for work (this means fewer dollars are spent by residents within the municipalities and has strong implications for economic leakage);
- Inadequate levels of local employment to retain residents;
- Poor public transport to meet the needs of a growing commuting workforce and transport to education services;
- Maintenance of Green Wedge Zone planning provisions to ensure that tourism and agriculture activities are supported;
- Inadequate high speed telecommunications limiting business growth and expansion in parts of Casey, Cardinia and the Mornington Peninsula.

**Term of Reference (d)**

*Identify the barriers to local economic development, including compliance costs for business and planning delays.*

There are many barriers to local economic development and individual submissions from LGAs will provided greater detail about specifics than this submission intends.

One of the overarching barriers to economic development, particularly in the south east of the region, is linked to the large increase in population over a short timespan. State Government policy has encouraged development in the south east. However, poor planning and limited infrastructure provision has created dormitory suburbs, isolated shopping centres and limited employment opportunities.

The following points provide examples of barriers to local economic development:
1. **Barrier: Lack of adequate transport and freight infrastructure to sustain the dynamic economy.**

**Transport:**

Southern Melbourne LGAs have many transport strengths. They are generally well connected to the CBD and ports by road and rail, have seven major lines as part of the rail network and key road arterials in the form of the M1 Monash Freeway and EastLink. Nevertheless, the region overall faces serious transport challenges due to population and industry growth; and the existing transport infrastructure being designed for the demands of a monocentric city (with predominantly radial movements) rather than a polycentric city (with both radial and cross-town movements). In fact, the existing transport network in the south east of the region presents as a significant inhibitor to current and future investment and could, in the longer term, prove detrimental to the region’s economic productivity and growth.

**Rail:**

It is generally accepted that the lack of access and connection to the rail network is inhibiting efficient development of the freight industry in the southern region. In particular, there is no direct connection to the interstate standard gauge rail network and links to the Ports of Melbourne, Hastings and airports are inadequate. Railway crossings along the Dandenong rail corridor also need to be upgraded as they generate considerable congestion across LGAs. Using the inadequate road network creates a greater cost burden for producers and suppliers in the region, who contribute to economic development, disadvantaging the regional economy and ultimately discouraging investors.

**Public Transport:**

Limited access to public transport is of major concern for some LGAs. Even parts of the high employment areas of Dandenong South have no access to public transport which means that people without cars, young people, and people with disabilities are unable to access work locally. Public transport in Casey, Cardinia and the Mornington Peninsula is inadequate to offset road congestion and reduce the need for car travel. Passenger rail does not adequately service the outer municipalities and buses serve some areas but operate intermittently or infrequently. These limited public transport options ultimately restrict residents’ engagement in the economy and inhibit business location and investment.

2. **Barrier: Lack of investment in the outer south eastern population growth areas.**

As previously described, the growth corridor economy is reliant on population driven industry sectors. These sectors generally do not provide the same value to the economy as other sectors such as industry and professional business services. With future population growth, there is a significant risk of the economies of these LGAs becoming focused on population driven industries which will force many residents to seek employment outside the area.

3. **Barrier: Reduced provision of and access to education and training.**

The burgeoning population and urban growth of south east Melbourne in recent years is presenting challenges that are crucial for the State Government and LGAs to address. For example:
- There is a shortfall of jobs to match the growing population in the population growth corridor;
- Post secondary education opportunities and availability of professional employment are fewer than those enjoyed by residents in the inner parts of the region.

The fact that employers are experiencing difficulty recruiting workers at the same time as many people in the municipalities of Greater Dandenong, Frankston and Mornington Peninsula are unemployed or underemployed indicates that more needs to be done to close the gap between the needs of industry and the skills of residents.

The south east region has a high number of vocationally qualified residents. The recent reduction in funding to TAFE's by the State Government may well have a significant impact on the future skill development of the local workforce. Additionally, it may further increase the gap between the skills of residents and the skills required by employers.

Barrier: Incursion on green wedge areas and valuable agricultural land.

Agriculture is a significant industry in the south-east region of Melbourne. Its importance lies in the high value of the food produced and its proximity to Melbourne. The industry is located in the peri-urban areas of the region, and makes a significant contribution to the economic and tourism base of the three municipalities of Casey, Cardinia, the Mornington Peninsula and the peri urban areas which interface with Gippsland. This contribution is currently being quantified through a study being conducted by the Southern Melbourne RDA.

The region has potential as a key food-producing area with access to water, including Class A recycled water, and fertile soils. Nevertheless, there are barriers to increasing production and further challenges to making it economically sustainable. These challenges include conflicting land use priorities, continuing population growth, changes to traditional agricultural sectors, access to distribution networks and transportation costs.

**Term of Reference (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.

The following strategies are based on the priorities articulated in the Southern Melbourne RDAs Regional Plan.

Strategy 1 – Implementation of a polycentric city model

The focus of community and infrastructure planning must substantially change towards the CAAs in Dandenong and Frankston. It must also shift towards the development of economic and commercial hubs around these CAAs to provide better opportunities for business cluster development, skilled employment, affordable housing and economic and industry development.
Implementing the polycentric city model will require partnerships at the local, state and federal level to:

1. Build the designated CAAs of Dandenong and Frankston as ‘regional capitals’ through well considered and effective spatial and land use planning;
2. Invest significantly in transport linkages between these two centres, employment nodes, other Melbourne CAAs such as Box Hill and Ringwood and the CBD;
3. Plan for high density development concentrated around fixed rail networks across the region;
4. Renew emphasis and effort in limiting further outward urban growth;
5. Commit to further develop the Port of Hastings.

The Victorian State Government can, through the Department of Planning and Community Development’s Metropolitan Planning Strategy, enshrine the roles of Dandenong and Frankston as activity and employment hubs.

Strategy 2 – Investment in infrastructure, freight and transport

- Investment is required to eliminate railway crossings along the Dandenong Rail Corridor and planning is required to integrate the passenger and freight rail operating requirements. Grade separations are a complex infrastructure initiative and the State Government has recognised that they require a whole of government approach.

- Employment precincts need to be further developed as part of a polycentric metropolitan planning approach. This will locate more employment closer to where people live, provide greater diversity of occupations and support industry access to skilled workers. Employment corridors in the region must be well linked to CAAs, universities, technology precincts, medical precincts and other areas of significant activity and employment.

- An intermodal port needs to be fast tracked for the south east of the region. An intermodal port would have access to the largest volumes of port containers and offer the greatest potential supply chain benefits over the current road-direct model.

- The Port of Hastings is the State’s highest priority in terms of transport logistics. Its further development is critically important to the development of the region in terms of the increases it would bring to manufacturing activity, trade, and technology development. It has been identified as a key economic enabler in terms of creating innovation, expanding industry, attracting employment and increasing the local skills base. It requires public and private investment and firm support from LGAs.

- Priority needs to be given to east west road links such as Thompsons Rd and north south road links such as the North east Ring Road link.

Strategy 3 – Strengthen local industries such as manufacturing, agriculture and tourism.

- Manufacturing.

Manufacturing is the most important industry in Melbourne’s south east region, providing: 44% of Victoria’s total manufactured product, employment for 70,000
people and exporting $16 billion worth of products. The retention and expansion of this industry is a priority for LGAs and their economic development strategies. Nurturing businesses with the potential to become leaders, introducing and facilitating linkages between potential leaders, and other leading firms which are sources of innovation are among the most valuable functions LGAs can undertake in collaboration with Departments such as Business and Innovation.

- **Agriculture:**
  
  The Outer Suburban/Interface Services and Development Committee Inquiry and audits by Casey, Cardinia and the Mornington Peninsula have confirmed the need to further develop agriculture and its associated activities. The Metropolitan Planning Strategy needs to consider the importance of this industry to the outer urban areas, examine the effectiveness of Green Wedge policy and recommend on planning policy to inform improvements to the planning and management of these areas.

- **Tourism:**
  
  Tourism is a valuable and growing sector in the southern Melbourne region which has significant tourism assets in the south east of the region. As an industry tourism has the capacity to engender economic activity which supports local economies. A number of issues face the local tourist industry. A primary challenge is the allocation of tourism funding. As an example, the Mornington Peninsula is one of the largest tourist destinations in Victoria, yet does not attract the additional funding that rural areas are provided with. State Government needs to work more closely with affected LGAs and consider the economic contribution they make, through tourism, to the broader Victorian economy.

**Strategy 4 – Support for training, skills development and employment**

Although a large proportion of the population in the outer south east is vocationally qualified, higher order vocational skills are required in the region so that employers can access a local population with greater skills. Ideally, employers should be able to source the skills they require locally, and residents should be able to secure employment within a reasonable distance of their homes.

The State Government needs to work more closely with outer urban LGAS to attract the types of business and investment that will create increased local employment.

The aspirations of young people and the proportions of younger people completing advanced levels of education provide major challenges in offering tertiary education in outer urban areas. It is well established that educational participation and attainment is lower in the outer areas of the Southern Melbourne region than it is in the inner urban areas. It is also well established that lack of access to education and training facilities is a deterrent to participation.

The proposed reduction of funding to TAFEs will make it more difficult for people to access some training locally and potentially lead to a reduction in enrolments, a lower skilled workforce and reduced economic benefits for the region.