29th October, 2012

Sean Coley
Executive Director
Economic Development and Infrastructure Committee
Parliament of Victoria
Parliament House, Spring Street
EAST MELBOURNE VIC 3002
Via Email: sean.coley@parliament.vic.gov.au

Dear Sir,

Re: Submission – Inquiry into Local Economic Development Initiatives in Victoria

Further to our recent phone call, Council greatly appreciate the opportunity to respond to this inquiry. I apologise for the lateness of this submission, but trust the Committee can give it consideration.

Horsham Rural City Council refers to the above Inquiry and responds to the terms of reference as follows:

(a) Existing local economic development programs in Victoria municipalities

Horsham Rural City Council’s Council Plan identifies “sustaining the Economy and Environment” as one of its strategic objectives. Fostering sustainable growth and development and stimulating economic activity is delivered through a variety of initiatives by Horsham Rural City Council.

These include;

1. Council own and operate the Wimmera Business Centre. This provides business incubator services including ten subsidised office and garage units for start up businesses. The Centre also provides business training programs as a registered Business Enterprise Centre, two serviced meeting/training rooms and also leases office space to business support agencies including the regional development association, Regional Development Victoria officers and VECCI.
2. Council have developed and sold the first two stages of an industrial estate which provides fully serviced industrial land. To date 23 allotments have been developed and sold to business enterprises.

It also has another industrial estate located out of the city available for larger scale developments appropriately located away from residential development. Two of these are about to be taken up by an asphalt batching plant and a liquid waste facility.

3. Council have delivered the recently opened Wimmera Intermodal Freight Terminal (WIFT) with support from the State and Federal Government and private enterprise.

This $17.75m terminal on the national rail grid will double the capacity for container freight on rail for the region and removed the previous substandard facility from the centre of Horsham. A long term lease is in place for an accredited operator.

4. Council are finalising a WIFT Precinct Plan for the area around the WIFT facility. This will identify appropriate zoning, types of development, infrastructure requirements and allotment layout to foster new economic and business activity for that area.

5. Council financially support the regional development association, Wimmera Development Association (WDA) and sit on its Board of Management. As the regional centre for the Wimmera, Council provide significant funding and in kind support to this very successful body.

6. Council, with Street Life, funding established Business Horsham four years ago and provides some administrative funding. Business Horsham have filled a vacuum in the municipality in being an active, vibrant group representing and promoting the interests of the local retail and service sector.

7. Council have in place a standing Developer Liaison Committee which convenes periodically to assist and liaise with significant potential developments or expanding existing businesses. This comprises the Mayor, Chief Executive and Senior Economic, Planning and Technical Services Managers.

8. Council have this financial year appointed an Economic and Business Development Officer who will provide additional support to businesses and economic development initiatives.

9. Council support and participate on two regional tourist associations to promote visitation and tourism opportunities.
10. Council are financial members of the Australian Made/Australian Grown campaign which it considers important.

11. Council actively participate in the successful annual Regional Living Expo introduced by the State Government.

12. Council are active in periodic lobbying and project activities such as renewable energy, NBN rollout, housing studies, opportunities from the Wimmera Mallee Pipeline, pursuit of a passenger airline service and improve Bureau of Meteorology services.

13. Council undertake various planning studies which relate to economic development such as the Planning for Growth, Central Activity District, Horsham North Precinct Plan and Wartook Valley studies.


15. Council support a diverse events program spread across the municipality.

16. Council own and operate the accredited Wimmera Regional Livestock Exchange at Burnt Creek.

17. Council own and operate the Horsham Aerodrome which has been recently upgraded with a second north-south runway.

(b) The appropriate role of local and state government in generating economic development

As demonstrated by the above initiatives, local government play a pivotal role in generating economic development. This role is welcomed and expected by its community.

Similarly, the support and presence of the State Government through Regional Development Victoria, Department of Planning and Community Development and Department of Business and Innovation is also critical. The continuing close relationship between Councils and these State Government departments significantly enhance the creation of an environment which stimulates economic development and initiatives. The State Government also have a key role in higher level regional planning and fostering interdepartmental relations and support for key regional and local initiatives.
(c) The difference in economic development roles between rural and metropolitan municipalities

There are quite different challenges that face regional as opposed to metropolitan Councils. These include;

- Limited infrastructure providers (natural gas, broadband, telecommunications)
- Limited public transport
- Limited training providers and education services
- Remoteness with staff recruitment, transport, connectiveness issues
- Greater infrastructure costs and size – roads particularly
- Replication of infrastructure in small communities.
- Fewer Government services
- Population constraints and in cases declines

In these circumstances regional councils need to be proactive drivers and facilitators of economic activity to attract opportunities.

(d) Barriers to local economic development – including, but not limited to, compliance costs, planning delays – and solutions to address these

The planning system including lack of flexibility for development in the farming zones, the protracted time lines and requirements in modifying Planning Schemes in response to emerging needs and the time lines in issuing decisions for planning applications due to such matters are referrals and appeals serve as a major barriers to economic development.

The cost and timing of planning amendments also deters necessary updates of Planning Schemes.

Poor public transport between regional centres and Melbourne (eg: passenger rail) also serves as a barrier to business development and attraction of staff.

(e) Ways in which municipal councils and the Victorian Government can jointly support local economic development to promote employment and new investment

Regional Planning with State and Local Government input fosters close relationships and identification of key economic initiatives which both parties can then partner in.

The Regional Living Expo is an excellent example of a successful initiative with positive economic outcomes.
Some State Government support to funding Regional Development Associations such as the Wimmera Development Association would be beneficial, rather than Councils fully funding these. The State could attach key performance indicators and reporting requirements to ensure such Associations are performing.

Continuation of the Skilled Migration Program funding by the State Government. This has proven highly successful in the Wimmera.

Dissemination of Government Services to the regions beyond the three satellite centres of Ballarat, Bendigo and Geelong.

Continuation of the highly important funding initiatives developed by the State Government's Regional Growth Fund and other programs.

(f) Best practice local economic development initiatives

Previous referred examples are the WIFT project delivered by Horsham Rural City Council and the State Government Regional Living Expo.

Horsham Rural City Council also participated as a pilot Council in the Department of Treasury and Finance's Gateway Project. In our case, this project funded two Gateway Reviews for our WIFT project which proved critical to the WIFT project delivery. I'm sure access to the Gateway Reviews would greatly assist Councils delivery of major projects, all of which stimulate local economies.

Again, thank you for the opportunity to respond to this Inquiry. Should you have any queries, please contact Council's Director Corporate and Economic, Mr Tony Bawden on [redacted] or email [redacted].

Yours faithfully

PETER F BROWN
Chief Executive