Introduction

Banyule Council delivers a range of economic development initiatives that responds to the local economic context of middle suburban Melbourne.

A particular example of economic development best practice in Banyule is Council’s approach, in partnership with business, to the Special Rates and Charges scheme. This example is detailed below, following an explanation of Banyule’s local economic context and information on the range of economic development activity coordinated by Council.

The Banyule context

The estimated resident population of Banyule is 124,340 people, which is expected to grow to 135,379 people by 2031. Household growth will be proportionally larger as the way in which people choose to live changes.

Banyule’s economy accounts for 1.4% of the total Victorian economy. It is approaching $4bn gross value added\(^1\) which, despite growth in the first decade of the 2000s, has flattened in recent years.

Banyule’s economy is dominated by the health and social care sector, with nearly 30% of all jobs. Education is a major employing sector and there is a growing professional, scientific and technical services sector. Nearly a quarter of working residents are employed within Banyule, principally in the health sector.

Banyule’s economy is changing and adapting as broader global, national and regional economic forces have an impact. Retail growth is in decline, reflecting the national and regional picture. Factors affecting retail include the rise in online sales (accounting for 5% of the market and rising). Symptoms of the changing retail sector include a growth in personal services and food services, which is changing the face of many local shopping areas. Other symptoms include an accentuated impact on youth job losses as the sector sheds workers.

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\(^1\) Gross value added is the value of goods and services produced in an area.
Retail is the face of Banyule's economy, much as in other middle suburban areas. There is a broad range of shopping areas in the city, with Greensborough classed as a Principal Activity Centre, and Ivanhoe and Heidelberg as Major Activity Centres. Eleven of the shopping areas (including the Principal and Major Activity Centres) are included in the Council's Special Rates and Charges Scheme that promotes retail activity in each centre.

Manufacturing is experiencing significant change nationally and regionally, and this is reflected at the local level. Manufacturing’s share of employment regionally has declined from nearly a quarter of all jobs in 1992 to just over a seventh in 2011. Banyule has never been as reliant on manufacturing as other areas in the region as a proportion of its overall economy (Hume and Whittlesea for example) but it is reliant on the wider region to supply manufacturing jobs.

There are 56,135 employed residents of the City of Banyule (ABS Journey to Work, 2006), compared to a total of 35,150 local jobs in the city, a difference of 20,985 jobs. This ‘gap’ is typical of many areas away from the CBD and surrounds, and is labelled by the Growth Areas Authority as the ‘dormitory suburb gap’. In Banyule there is one job for every 1.6 working residents, which contributes to the number of commuters who travel outside of the municipality.

Banyule residents are more likely to be higher qualified and less likely to have no qualifications than the average Melbourne resident. The unemployment rate is relatively low at 3.4% but this figure is rising. There are significant pockets of unemployment and low participation in the workforce in parts of Banyule, notably in West Heidelberg.

**Banyule Council’s role in local economic development**

Banyule’s economic development agenda will be driven by the Prosperity policy and strategy within Council’s City Plan. Prosperity is one of five principal policies within the City Plan, the others being Participation, People, Place and Planet. The policies provide a strategic framework within which the key directions of the Council are set.

Council contributes to Banyule’s economic development agenda in a number of ways.

- **Planner.** Council has a legislative role in identifying and researching significant economic development and liveability issues in the community. Council works in conjunction with other agencies and community groups and residents to realise development that meets social and economic outcomes.

- **Supporter.** Council’s role is to provide a broad range of support to local businesses, including small and home-based enterprises. Support consists of marketing and branding for Banyule Business, information and advice, networking, and referrals to training and development. Financial support is principally provided through Council’s contribution to the Special Rates and Charges scheme.

- **Advocate.** As the tier of government closest to its constituents, local government has a clear mandate to advocate on behalf of its community to secure resources and influence change to the advantage of its residents.

- **Partner.** Council has an important role to play in forming partnerships with State and Federal government departments and agencies, community and industry groups to maximise benefits for the community.

Banyule has an economic development team within the Strategic and Economic Development service. The key functions of the Economic Development team are to:
• Develop and implement economic policies and strategies including Council’s Prosperity Policy and Strategy, and Activity Centre business and streetscape plans. The economic development team also plays a role in supporting the development of Structure Plans for Activity Centres and other priority areas for the municipality.

• Support local business and industry

Local business and industry is supported in a broad range of ways, including:

Support for major commercial, retail and industry development (land use planning projects) - For instance, Council has recently led on the Greensborough project, at the heart of which is a new regional aquatic facility. The development has also included investment in the retail environment and infrastructure provision. Council’s investment and plans for the area will act as a catalyst for further development in Greensborough - the sole Principal Activity Centre in this part of Melbourne.

Online information provision, marketing and development - Council communicates regularly with business through the internet and email. The Banyule Business website (banyulebusiness.com.au) is regularly updated with the latest news, opportunities and events. The website also includes a searchable Banyule Business Directory. Banyule’s e-newsletter keeps contacts up to date with the latest industry developments and training and networking opportunities.

Activity centre coordination - Council’s activity includes management of special rates and charge schemes for marketing and promotion and the coordination of business plans. Banyule has a very strong special rates and charges scheme, covering eleven shopping areas within the municipality. Council makes a significant financial contribution to the scheme, almost matching the traders’ contribution dollar for dollar. Traders’ associations are supported to develop their capacity to deliver successful outcomes.

Providing information, resources and support to new businesses - Council works in partnership with specialist organisations to deliver training and support to businesses in areas such as innovation and marketing. In partnership, Council also provides a small business advice service.

Provision and stimulation of networking opportunities through regular events - Council organises and manages business breakfast and networking events in the locality and in partnership with neighbouring municipalities.

Regional links and networks - Banyule Council is a member of the Northlink business network and regional development partnership. Northlink’s agenda is to drive economic development in Melbourne’s North, particularly in manufacturing, and forge closer links between education and industry.

Best practice local economic development initiatives relevant to the terms of reference

Banyule’s Special Rates and Charges scheme demonstrates best practice as a local retail improvements initiative. The focus on marketing and promotions for individual shopping areas facilitates trader engagement and develops the capacity of traders’ associations to bring about change in their areas.
Banyule’s scheme is worth over $1m per year, with the total traders’ levy at just over $550,000 and Council’s contribution at more than $500,000. The scheme aims to retain and develop the vibrancy and attractiveness of Banyule’s shopping centres.

The Special Rates and Charges enable traders’ associations to employ the services of a centre coordinator to undertake marketing and promotional activities. Centre coordinators also act as a focal point for traders’ concerns and priorities, and are well connected with the Council to resolve typical issues arising in shopping centres, such as graffiti, litter and planting.

Council facilitates and supports the centre coordinators, providing them with the tools and expertise to develop their associations. Council holds regular coordinator meetings where common issues can be raised and resolved, and resource opportunities and best practice shared.

The main thrust of the scheme is marketing and promotions and typically traders’ associations will undertake a range of such initiatives throughout the year, including events, festivals, advertising and other promotional activity. However, resources are also allocated to arts, beautification, planting, banner displays, and other projects that improve the look of the area and attract and retain trade.

Recently, a set of Draft Best Practice Guidelines for traders’ associations has been developed by Council, in conjunction with Main Street Australia. The guidelines will assist traders in areas such as governance arrangements, business plan development, and key processes in special rates and charges implementation and renewal.

Complementing the Special Rates and Charges scheme, Council also undertakes and funds special projects for commercial precincts. This has enabled projects such as the Main Street, Greensborough redesign and the power line relocation projects at Heidelberg, Ivanhoe, Greensborough and Watsonia.

Signed

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16 August 2012