Parliamentary Inquiry into Local Economic Development Initiatives in Victoria

Joint Submission

City of Casey
Shire of Cardinia

October, 2012
Executive Summary

The City of Casey and Cardinia Shire Council joint submission to the Inquiry into Local Economic Development Initiatives in Victoria is primarily based on the need for targeted economic development policies and infrastructure funding that will unlock local economic development opportunities and jobs.

The Casey-Cardinia region is experiencing rapid population growth. In 2010 Casey’s Urban Growth Boundary was expanded by an additional 5,000 hectares to support housing to accommodate an estimated forecast population of 450,500 people over the next 25 years. Cardinia, with 1,300 km² of residential and rural land, is expected to experience the fastest growth rate in Victoria over the next decade, as residential land in Casey becomes scarce. The most important lessons local government takes from this rapid expansion are:

- The role of key infrastructure in the Casey-Cardinia region.
- The need to attract new businesses and the need to grow existing businesses, to provide more locally available jobs for the community.

Currently, about 70% of residents leave the Casey-Cardinia region each day for work, creating considerable stress on transportation infrastructure as well as causing economic and social repercussions. The Casey-Cardinia region runs the risk of becoming a dormitory suburb of metropolitan Melbourne.

The provision of transport infrastructure (e.g., trains, buses and roads) and services (e.g., high speed broadband and education facilities) are crucial to the social, economic and environmental development and wellbeing of the Casey-Cardinia region.

The Casey-Cardinia region is committed to growth in partnership with residents, businesses and the broader community. As an identified Growth Area, both local governments are working hard to overcome the problems identified above. Furthermore, they face a unique set of challenges in that both councils identify as both metropolitan and rural councils.

Given their similarities, the City of Casey and Cardinia Shire have formed a unique partnership and have identified areas where they can work together to identify potential solutions. This includes comprehensive and targeted marketing, business development initiatives, and promotional materials to showcase the benefits of the entire region to prospective businesses.

Key projects requiring state government support that would likely unlock local economic development opportunities in the Casey-Cardinia region include:

- Working towards gaining commitment statements from all levels of government to supporting investment attraction and employment growth in the Casey-Cardinia region.
- Developing the Port of Hastings as soon as possible to greatly improve the long term competitiveness of the region.
- Developing the associated infrastructure necessary to support the Port of Hastings development (e.g., roads and rail upgrades).
- Given the region’s status as an identified Growth Area, work with the state government to develop specific investment incentive programs to encourage investment and job growth in all identified Growth Areas.
- Commitment to delivering East-West road extensions and upgrades, particularly Thompsons Road, to unlock employment lands and improve connectivity and accessibility. The land is investment ready, however, there is lack of road access to the area.
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Introduction

The Casey-Cardinia Region

The City of Casey and Shire of Cardinia (the Casey-Cardinia region) are located approximately 40-45 km from Melbourne's city centre and combined, is one of the state's fastest growing regions. The state government has designated the Casey-Cardinia region as one of six identified growth areas to be targeted for future growth and development by the Growth Areas Authority Victoria. Over the past 10 years the Casey-Cardinia region has experienced rapid population growth, well above the population of the broader Melbourne region and Victoria.

Terms of Reference

That under s 33 the Parliamentary Committees Act 2003, the Economic Development and Infrastructure Committee is required to inquire into, consider, and report 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.

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

Previous Inquiry

The terms of reference for the 2008 Parliamentary Inquiry into the Local Economic Development in Outer Suburban Melbourne were very similar to the ones above. While the 2008 Inquiry was undertaken by the previous government, the current government made promises in this area as part of its election campaign.

The 2008 inquiry made numerous recommendations to support local economic development, which included investment and support in infrastructure, education, local employment opportunities, small businesses, access to funding, transport, planning, and social policies. Many of these recommendations are likely to be replicated by this Inquiry as they have not been implemented by the current Victorian Government. The same issues therefore remain, which are hampering local economic development.

The Casey-Cardinia region welcomes many of the recommendations from the 2008 report following the previous inquiry. However, many of these recommendations were not carried out. Examples of these recommendations specific to the Casey-Cardinia region which are still outstanding include:

- Recommendation 38: The Victorian Government, Cardinia Shire Council, Casey City Council, VicRoads, the Growth Areas Authority and other stakeholders continue investigations and discussions into building a new East West Link connecting the Cardinia and Casey growth corridor to Frankston, to enhance local economic development. Attention should also be given to the provision of bus and bicycle lanes along this link.
Recommendation 40: The Victorian Government, through VicRoads and the Growth Areas Authority, in conjunction with affected local councils and other stakeholders, reassess its classification system for road funding priorities to include the needs of growth areas such as Casey-Cardinia, especially the provision of roads critical to local economic development.
A) Examine the range of existing local economic development programs being carried out in Victorian municipalities

The Casey-Cardinia region recognises the importance improving the overall liveability of the region by focusing on improving economic, social and environmental objectives that affect wellbeing. Key outcomes include:

- **People and strong communities:** service delivery that enhances wellbeing and supports people's needs and community connections.
- **Economic growth:** the creation of local employment and business opportunities.
- **Environmental sustainability:** protection and enhancement of the region's natural and built environments.
- **Planning and infrastructure:** strong planning for growth while preserving local heritage.

Achieving these desired outcomes will enhance the attractiveness of the Casey-Cardinia region as a place to live and work.

**Business Support Activities**

Key activities to attract and retain businesses focus on training and education, mentoring, networking, and business growth. The following activities are currently carried out by the City of Casey and the Shire of Cardinia.

“Coffee Clubs”

Coffee clubs target the operators of micro-business (e.g. home based and start-ups). Their aim is to help micro businesses become more involved in the city’s business activities, particularly networking. It provides an avenue of communication between the Economic Development Department and Casey’s business community. There is usually a presentation at each “coffee club” meeting from a local business person on a topic relevant to small start-up type businesses.

There are six meetings a year, which are specifically designed for small groups (15-20) of businesses.

**Business Mentoring**

A business mentoring program in conjunction with the Small Business Mentoring Service (SBMS) commenced in Casey in 2010. The program assists businesses by providing them with affordable business mentoring. Each business is entitled to four one-to-one mentoring sessions with a business consultant provided through the SBMS. Mentors give their time for free. Council subsidises the service, meaning users only pay $100 for four sessions, instead of $320.

Since starting in 2010, 79 businesses have participated in the program.

**Casey-Cardinia Business Groups**

The Casey-Cardinia region hosts a number of business groups and organisations that assist business in their day to day operations. Local government also assists groups develop their business plans and recruit members. Some organisations also receive financial support. Types of services offered by business groups include:

- Implementing business development strategies, 40 per year
- Promotion and marketing
- Fostering better business practices
- Training and mentoring opportunities
Creating unity within the business community
Networking and acting as a conduit between councils and local businesses

In January 2013, the Casey-Cardinia Business Group will host quarterly lunches with guest speakers. It will also host combined Business Breakfasts and combined Business Awards. It is expected to attract more than 200 members in its first year.

Chambers/ Business Groups

There are five chambers/business groups in the City of Casey with 250 members. Their purpose is to promote local businesses and improve their respective towns, provide an avenue for businesses to voice their concerns. The issues discussed are typically very localised.

The City of Casey chambers are part of the Business Groups umbrella. Members get together every two to three months for meetings and networking events.

Cardinia Shire has six active business groups, which are primarily township based. Total membership is more than 100.

The Casey-Cardinia region is also serviced by regional business groups which represent businesses across the two municipalities. These regional business groups include Women Making It Work and Casey Cardinia Referral Network.

Training Workshops and Seminars

The Casey-Cardinia region holds a number of business training sessions and seminars throughout the year. Types of training include:

- Starting a business
- Commercialising an idea
- Marketing and promotion
- Social media
- Improving workplace safety
- Time management and organisation
- Networking
- Customer service
- Winning government business
- Business finance
- Business planning
- Succession planning
- Greening business
- Improving cash flow and profitability
- Sales
- Raising capital
- Australian Tax Office: tax basics, tax practitioner, record keeping, rental properties, self managed funds

The City Casey also runs the Casey Business Week, a week-long series of events providing training and networking opportunities for business. There are 12 training events per year, attracting about 500 businesses.

From 1 July 2011 to 30 September 2012, Cardinia Shire Council offered 25 business training events (including the free ATO training seminars), attracting 464 registrations.

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1 Emerald, Gembrook, Cardinia Tourism Group, Koo Wee Rup, Pakenham, Beaconsfield.
Casey-Cardinia Business Breakfasts

There are four business breakfasts per year, which provide a topical speaker and networking opportunities. These breakfasts are provided in partnership with Monash University Berwick Campus and Melbourne Football Club. There are four events per year, attracting a total of around 1,000 guests.

Casey Business Awards

The Casey Business Awards are a celebration of the outstanding contribution the business sector makes to the local economy. The awards are a great example of how the Casey-Cardinia region celebrates the success of its business community, whilst ensuring the application process allows for reflection on how a business is tracking.

In the City of Casey, about 95-120 applications are received from around 86 businesses for the awards each year. It is an annual event, which includes Gala dinner for the awards. Around 320 people attend the dinner.

Cardinia Business Awards

Cardinia Shire hosts an annual business awards program, showcasing local businesses and formally recognising the achievements of Cardinia Shire’s business community. Over 200 people attend the formal award presentation dinner. As a business development program, all businesses who enter undertake a comprehensive review of their business and have access to mentors to assist with development of submissions. A post engagement event is also held, to engage businesses with respective sponsors, this year attended by 58 people.

A master class is a new initiative in 2013 and open to all businesses that submit a Business Awards application. Its purpose is to up-skill local businesses, which will further enhance the Cardinia Business Awards as a business development program.

Try A Trade

Try a Trade is an initiative of the South East Local Learning and Employment Network, supported by the City of Casey to showcase the wide range of training and employment options in and around Casey. Approximately 2,000 school children attend the annual trade expo to learn about different trades.

Mayor’s Lunches

These business lunches will provide representatives from Casey’s businesses with the opportunity to meet the Mayor and discuss the issues and challenges that they are facing in the day-to-day operation of their businesses. There are 20 guests per lunch, which are held every two months.

inBusiness Magazine

The magazine provides up-to-date information for the Casey business community. It is mailed out to quarterly to 5,000 businesses.

Industry Forums

Industry forums linking potential employees to a particular industry sector (e.g., health). The forums are held quarterly and attract 80-100 people.

Cardinia Shire Business Partnership Program

The Cardinia Shire Business Partnership Program provides matched grants of up to $3,500 for business groups to develop projects which strengthen the local economy and contribute to employment growth. Examples of past projects include developing marketing strategies, production and distribution of brochures, running events and installing directional signs.
Business Connections Newsletter

The Cardinia Shire Council produces a quarterly business newsletter, Business Connections, providing information on issues and opportunities affecting local business as well as tips and insights into running a successful business.

CEO’s Presentation to the Business Community

For the past eight years, Cardinia Shire’s Chief Executive Officer (CEO) has made an annual address to the local business community. The CEO outlines council’s actions and plans relating to business and the opportunities they present. Businesses hear from the CEO, and can ask questions, network, and raise the investment profile of the region. More than 140 local and regional businesses attended in 2012.

Council Website & Business Information Services

Cardinia Shire Council’s website contains core segments, dedicated to the delivery of online information about Cardinia Shire for local business and external online browsers. Online information accessible via the web (including remote access) includes information such as local business groups, Cardinia Shire LGA demographics, business newsletter editions, LGA business directory including local suppliers, local townships, events and attractions, council grant funding, a calendar of business training, as well as council’s planning and advocacy services for business.

Council provides direct access to staff who provide business and local economic development assistance for business, ranging from new intenders through to established businesses. These services also respond to public and internal council requests for information on local business and industry.

Local Economic Development Advocacy Services

Advocacy for Cardinia Shire’s local business and industry development is undertaken to inform regulatory and industry forums and organisations. Activities include engagement in strengthening communication between business, regional, state and Commonwealth representative bodies, securing grant funding for localised projects, infrastructure and business requirements such as crisis funding response (e.g., floods).
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

An agreement was recently signed between Queensland’s state and local governments\(^2\) outlining their overarching roles, which would be applicable to Victoria. The agreement sets out state government roles and responsibilities, including:

- Providing a system for constituting and electing local government.
- Establishing and maintain a legislative framework for local government which meets community needs.
- Engaging with local government on policies, legislation, strategies, programs and initiatives, which are of interest to local government.
- Committing to repealing legislation and regulations with limited planning benefit.
- Committing to providing local government greater input into regional planning.
- Consulting local government before appointing representatives of the sector to state government bodies.
- Engaging local government on financial implications, and additional functions and responsibilities that could flow from policy of legislative changes.
- Consulting local government before introducing legislation or regulations that impact on existing local government service provisions.

State government has also has responsibility for issues of state interest and providing solutions to state-wide issues.

The **Local Government Act 1989** sets out the role of Victorian local governments, including:

- Acting as a representative government by taking into account the diverse needs of the local community in decision making.
- Providing leadership by establishing strategic objectives and monitoring their achievement.
- Maintaining the viability of the council by ensuring that resources are managed in a responsible and accountable manner.
- Advocating the interests of the local community to other communities and governments.
- Acting as a responsible partner in government by taking into account the needs of other communities.
- Fostering community cohesion and encouraging active participation in civic life.

Local government can also play a joint role and assist the state government deliver local and regional initiatives. Partnerships and alliances between the two tiers of government are often extremely valuable in facilitating the delivery of local economic development initiatives.

Local Government

Councils can and should focus on what they can influence. For example, developing local knowledge and their understanding of local economic drivers.

Business Development

The City of Casey and the Shire of Cardinia provide a wide range of advice and support services which assist businesses to prosper and grow thereby creating more local jobs in the region. For example training, mentoring, coffee clubs, breakfasts and business awards.

Councils provide an information service to prospective investors in an attempt to attract inward investment. Council is responsible for:

- Working with developers to encourage local employment where possible and practical
- Providing a one stop shop for business information
- Facilitating business networks and clusters
- Researching and supporting businesses through promotional activities and business attraction incentives
- Identifying business leads and opportunities for investment
- Supporting small and medium enterprises, micro and home based businesses
- Facilitating local investment, business and employment growth
- Supporting and providing catalyst projects/ infrastructure investment.

Planning

The City of Casey and the Shire of Cardinia have a legislative role in administering the local planning scheme and issuing planning permits. They are responsible for Master Plans and strategic initiatives that promote economic development and liveability.

The local governments are responsible for:

- Providing smooth and efficient planning
- Providing a one stop shop for planning and development information
- Development approvals
- Enabling infrastructure and improve the amenity of the city
- Zoning industrial land with adequate services and infrastructure
- Infrastructure for liveability.

Marketing and promotion

The City of Casey and Shire of Cardinia have a community mandate to secure resources and influence change, which will benefit residents. They have an important role in building and maintaining relationships with state and federal governments, community and industry groups to:

- Secure funding (e.g., RDA funding)
- Develop and strengthen the Casey-Cardinia brand to promote awareness to potential investors and instill investor confidence
- Develop regional marketing and product development/ service offerings
- Attend trade shows, conferences and other industry/ networking events
- Attract visitors and grow regional tourism.
State Government

The Victorian Government should work with businesses, local governments and the community to boost productivity, exports, investment and jobs. It should develop policies and programs that attract investment into Victoria, which is supported by skilled, productive and innovative people, businesses and industries.

State government should:

- Provide grants and funding
- Partner with all levels of government for major infrastructure investment as an enabler of economic growth
- Address traffic congestion and improve public transport
- Provide direct support in times of crises (e.g., disaster/ emergency responses)
- Provide employment and training programs which respond to state needs
- Remove barriers to investment and economic activity
- Support the growth needs of regional Victoria and identify regional planning solutions (e.g., identify Growth Areas)
- Actively engage with the Commonwealth Government on migration (including international students) and skilled migration issues to meet the state’s needs
- Support and promote industry development (e.g. manufacturing, agriculture)
- Promote Victorian exports and trade links
- Promote Victoria to attract inward investment.
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 objectives, role and tasks of councils’ economic development activities is not so
dissimilar across different types of areas (i.e., regional, rural, interface, metropolitan).
What is different is the emphasis to which resources are directed towards and specific
challenges that may be faced in regional areas that are not an issue in a metropolitan
centre. Councils like the City of Casey and the Shire of Cardinia face unique challenges
given that they are at the interface and face both metro and regional issues.

Specific economic development issues in the Casey-Cardinia region include:

- A lack of acknowledgement by state government of the interface councils, which lie at
  the interface of metropolitan Melbourne and rural Victoria. These councils share
  aspects of both urban and rural communities. Approximately 30% of the land is
  classed as urban.

- The interface councils are in a unique position within Melbourne and continue to
  contend with a unique set of issues:
    - It is home to almost a quarter of Melbourne’s population
    - It is the area expected to contain much of Melbourne’s future growth
    - Many interface councils have rapidly growing urban centres and are home to
      many of Melbourne’s young families
    - The annual growth rate in some parts of the interface is more than 8%
    - Young families make up 55% of the residents moving to these areas
    - The interface is responsible for over one third of Melbourne’s building approvals
    - 41% of young families in the Interface have mortgages.

- Overstretched human services and community infrastructure, and road congestion
due to their high populations and growth rates.

- Public transport between metropolitan Melbourne and the interface councils is either
  non-existent, insufficient, or too expensive. This means private vehicle use is high as
  there few convenience or financial benefits to using public transport.

- Limited access to public transport restricts training and employment opportunities for
  low income residents creating social inequality.

- Green Wedge management is a serious issue for interface councils. Local government
  is presently expending significant resources supporting private landholders in the
  Green Wedge to manage their land and preventing inappropriate land management.
  Despite this, resources are insufficient to properly maintain the condition of the Green
  Wedge. The major issues include:
    - Appropriate development and uses in Green Wedge zones
    - Land use pressures leading to price rises, and problems for farmers
    - Land management issues
    - Social pressures including the ability to provide services to towns that can no
      longer grow.

- The Casey-Cardinia region is a similar distance from Melbourne’s CBD than Ballarat
  and Bendigo. Indeed, some parts of the Cardinia Shire are further away from
  Melbourne’s CBD than Ballarat and Bendigo, but the region does not qualify for some
  rural funding. In most rural and remote council areas, grants form a substantial
  source of revenue, compared to metropolitan councils putting the Casey-Cardinia
region at a financial disadvantage. Managing this role and the implications is a unique task experienced by both the City of Casey and the Shire of Cardinia.

- A high number of people leave the Casey-Cardinia region for work each day, which has strong implications for local business sustainability and community cohesion.
- The Casey-Cardinia region has higher infrastructure costs. For example, proportionally more money is spent on roads per capita in interface local government areas (LGAs) compared to metropolitan LGAs.
- Replication of infrastructure across a number of small communities is costly (e.g., health and recreation services) for a single local government.
- Location challenges of infrastructure provision and land release are greater. Although the Casey-Cardinia region is an identified Growth Area, there is still a lack of infrastructure (e.g., roads, rail, gas, water, broadband). This makes it difficult for the region to attract new businesses despite adequate land availability.
- The size of the region means that services and programs can be located far away from businesses. In contrast, metropolitan councils have a concentration of resources and points of contact for industry. Metropolitan businesses simply do not have to travel as far to access services and programs. Businesses located in rural townships of the Casey-Cardinia region can often feel disengaged and disempowered.
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

The Casey-Cardinia region differs from metropolitan Melbourne on many counts but most notably it is growing much faster, it is younger and more family orientated, more car dependent, with fewer flats and apartments, and more residents are unqualified. At the same time, there is not a sufficient number of local jobs for residents, forcing 70% of residents to leave the community every day for work.

Like other Growth Areas, the resident population may be ill-equipped to respond to economic downturn and fuel price increases because many residents are unqualified and employed in low-skilled and low-growth industry sectors. A high proportion of households are paying off mortgages and many are over-dependent on cars and commute outside the region. The Casey-Cardinia region needs long-term strategies to address these issues.

Specific barriers to economic development identified by the Casey-Cardinia region include:

- A lack of infrastructure investment to equip zoned industrial precincts with essential utility and transport links (i.e., telecommunications, water, gas, electricity, roads).
- Suppliers of basic infrastructure such as high speed broadband, electricity and natural gas are often limited, reducing competitiveness and increasing costs.
- The Southern Melbourne Regional Development Australia (RDA) Committee works with key regional stakeholders to provide economic strategies for Melbourne’s south. However, there are differences in council policies for businesses which practice across several LGAs.
- Data at LGA level, from bottom-up perspective is limited and adhoc, to comprehensively support policy and business development.
- Smaller towns are vulnerable to losing key public and private facilities (e.g., banks).
- Operational practices of local businesses, for example, opening hours of local business can be incompatible with business activities, particularly tourism.
- Limitations of existing directional ‘wayfinding’ signage do not support tourism activities in Cardinia’s villages and townships.
- Lack of certainty in processes:
  - Businesses are unclear of the planning process and what they need to do.
  - Timeframes for decisions are unclear, which can hinder investment.
  - Given the uncertainty around the planning process, significant delays can exist in attaining the necessary approvals for investment to occur.
  - State government plays a much heavier hand. This means a development application can be rejected even though it may be supported by the local government.

Local Employment Opportunities

Problem

The Casey-Cardinia economy is heavily reliant on population driven industry sectors that do not provide equivalent value to the economy as other sectors such as industry and professional business services. With historical and future population growth, there is a
significant risk of the economy becoming focused on population driven industries forcing many residents to seek gainful employment outside the area.

- As of 2006, 70% of residents left the region for work every day: over 87,000 workers. When the equivalent 2011 Census data is released it is anticipated that the volume of residents leaving every day has increased, given the strength of recent population growth.
- The self sufficiency rate (proportion of local jobs to local resident workers) is 44%, well below the targets of the Growth Area Authority (100% at the regional level).
- The self containment rate (proportion of residents living and working locally to local resident workforce) is 32%, well below the targets of the Growth Area Authority (50% at the regional level).

**Solution**

In conjunction with Regional Development Australia Southern Melbourne, the City of Casey and the Shire of Cardinia commissioned a study looking at investment attraction to create local jobs. Recommendations from the Investment Attraction study include the following strategies:

- Marketing the region to raise its profile as a business destination.
- Aggressively pursue business development to identify potential investors.
- Facilitate investment into the Casey-Cardinia region through proactively working with potential investors to streamline the investment process.

It was found that a proactive and aggressive investment attraction program has the potential to deliver the following benefits over a 20 year period (compared to the base case of no action taken):

- An additional 32,405 jobs in the Casey-Cardinia region (an average of 1,620 additional jobs each year).
- An additional cumulative benefit of $34.8 billion in GRP to the Casey-Cardinia region economy (an average additional GRP of $1.7 billion each year).
- An increase in regional self-sufficiency of 12.4 percentage points to 75.7%.
- 16,203 less workers travelling outside the region.
- A number of social benefits including:
  - Reduced travel time and congestion on roads resulting from lower numbers of commuters on major road infrastructure.
  - More time spent with family resulting in higher levels of family cohesion and social wellbeing.
  - Improvements to health and life expectancy due to lowered stress and more time investment in health and fitness activities, in addition to reduced exposure to concentrated car emissions which increases the risk of cardiovascular and respiratory disease.

**Transport**

**Problem**

The Casey-Cardinia region is a car dependent region, which will need to adapt to rising fuel costs. At least 70% of residents are forced to leave the region for work, creating considerable stress on transportation infrastructure as well as causing numerous economic and social repercussions. The Casey-Cardinia region runs the risk of becoming a wholly dormitory suburb of metropolitan Melbourne.

Of major concern are the outer parts of the region – specifically the peri urban areas of Casey, Cardinia and Mornington Peninsula – which have limited accessibility to public transport. Public transport is inadequate to offset road congestion and reduce the need for car travel. Passenger rail does not adequately service these municipalities and buses
serve some areas but operate intermittently or infrequently. Most disadvantaged are young people, stay at home parents, the elderly, and people with disabilities.

**Solution**

Casey–Cardinia Transport Connections project ‘Bringing it Together’ is funded through the Victorian Government’s Transport Connections Program, a cross-government initiative to help communities with limited transport options improve access to services and activities.

The objectives of Transport Connections are to:

- Develop innovative transport and non-transport options to enhance access and participation by people with limited access to transport.
- Generate more efficient use of existing transport and community resources.
- Establish ongoing local partnerships for delivering transport and accessibility outcomes.
- Increase the capacity of communities to participate in decision making and priority setting activities to improve social and economic outcomes.

**Development Land**

**Problem**

Rapid population growth is one of the Casey-Cardinia region’s defining features, but this puts pressure on services and infrastructure provision. Furthermore, the region needs to create quality jobs that reduce the number of people leaving each day, and boost local economic development.

Ensuring that there is a sufficient amount employment lands in the right location and well serviced by infrastructure will be important to assist in the future investment attraction in the Casey-Cardinia region. While the quantity of land is important, it is not enough. It will be important to ensure that employment lands are located in attractive areas and that can be brought to market at competitive rates.

Currently, industrial land rates in the Casey-Cardinia region are lower than other parts of Melbourne. However, the lack of infrastructure means that the cost advantage of the land is eroded due to the costs of infrastructure provision. Additionally, there is a higher risk associated with development in the Casey-Cardinia region. Together these factors put the region at a competitive disadvantage compared to other nearby industrial locations such as Greater Dandenong, Knox, Monash, Hume and the Western Industrial Node.

**Solution**

An solution to attracting investment and new jobs in the Casey-Cardinia region is through the provision of infrastructure (e.g., roads, utilities, broadband) on suitable development land. Planning solutions also play a role, for example, the Cardinia Road Employment Precinct Structure Plan (PSP). This plan was prepared by Cardinia Shire Council in conjunction with the Growth Areas Authority, government agencies, service authorities and major stakeholders. The precinct will be a multi-functional regional employment node that delivers a range of jobs to Cardinia-Casey, interconnected with regional transport routes and rapidly growing communities.

The PSP provides for the development of infrastructure, such as roads, intersections, drainage, parks, paths, bridges and bus stops, as well as the necessary services to support urban development and will facilitate the development of:

- Offices in a campus-style business park setting.
- A mixed-use activity centre to support workers, residents and businesses.
- Combined showroom and warehouse or workshop floorspace for light industrial uses in high-visibility locations.
- Industrial areas with direct connections to arterial roads and the Princes Freeway.
• A niche-residential community, with approximately 2,000 dwellings that will be home to 4,500 people.

Agricultural Land

Problem
A 1995 Department of Planning report noted that the value per hectare of agricultural production in the Port Phillip and Western Port Region (which incorporates Casey, Cardinia and the Mornington Peninsula) is the highest in the state. It argued it is essential these areas retain their value to the state’s economy as a source of clean and green produce.

However, in the south east of the region, green wedge and rural areas are part of the population growth corridor and experiencing increasing housing development. There is pressure on Green Wedges and expanding the Urban Growth Boundary. It was extended by about 1,000ha in Casey and 2,000ha in Cardinia in 2005, and by a further 5,000ha in Casey in 2010 to cater for an additional 450,000 people (forecasted) over the next 25 years.

The Outer Suburban/Interface Services and Development Committee Inquiry and audits by Casey, Cardinia and the Mornington Peninsula have confirmed the need to retain and expand agriculture and its associated activities, and highlight the inhibitors that threaten this outcome:

• Planning and urban growth: expansion of the Urban Growth Boundary may undermine the confidence of agribusiness which typically requires longer time frames for making investment decisions.

• Urban rural tension.

• Urban rural classification.

Solution
The local governments of Casey, Cardinia and Mornington Peninsula, and regional water authorities (Melbourne Water, South East Water and Southern Rural Water) are keen to protect and support the growth of the Bunyip Food Belt as a key food producing area for metropolitan Melbourne and Victoria.

The Bunyip Food Belt contains some of Victoria’s most fertile farmland and is a significant area of horticultural production. Protecting this area from development would potentially enhance Melbourne’s food security by establishing a key area of fruit and vegetable production on the fringe of the city. Ensuring water supply (e.g., Class A recycled water from the nearby Eastern Treatment Plant) would also potentially ‘drought proof’ the food bowl.

Such a project offers significant opportunities to build on existing agricultural activities, fully utilise high quality soils, secure the agricultural economy of this area, and reinforce the value of the green wedge. It would also support local employment in the food industry, along the supply chain.

Although the areas nominated are already zoned and used for agriculture, this project seeks to strengthen the role of agriculture in this region through proposed changes to existing planning controls with improved water supply.

Social Inclusion

Problem
Socio-economic disadvantage in the Casey-Cardinia region is largely based on income, educational attainment and unemployment. There is a shortfall of jobs to match the growing population in the Casey-Cardinia growth corridor. More locally provided services and jobs would help create a better quality of life for residents. Key points include:

• Residents travel long distances to access jobs, creating road congestion, and this reduces productivity.
• Post secondary education opportunities, availability of professional employment and access to health services are fewer than those enjoyed by residents in the inner parts of the region.

• Skills development pathways and the range of options are constrained. Furthermore, cuts to TAFE are compounding the impacts (i.e., workforce skills development and access to training in the Casey-Cardinia region).

• Limited public transport making it hard for people to get to work or training, especially apprentices.

• Remote, aged and disadvantaged residents may have reduced or limited access to essential services.

**Solution**

The City of Casey has teamed with Monash University’s Faculty of Business and Economics in a new partnership that will help boost local job creation and business investment. One of the initiatives is a research project looking at the rapid growth taking place in Casey, and the effects this is having on the population in terms needs for specific facilities and services.

Additionally, the City of Casey and the Shire of Cardinia are jointly supporting investment attraction activities that will assist in marketing the region and attracting investment and jobs.
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

Ways the Victorian Government could support economic development in the Casey-Cardinia region include:

- Addressing traffic congestion and public transport. Transport infrastructure priorities include:
  - Monash/Princes and South Gippsland freeways
  - East-West Road arterial road linkages
  - Thompsons Road
  - Greens Road
  - Westernport Highway
  - Ballarto Road
  - Pakenham and Cranbourne rail lines
  - North-south public transport links servicing buses

- Examining particular projects including:
  - An inland port in the south-east to complement the metropolitan freight terminal network.
  - Development of the Port of Hastings supported by additional road and rail links, with priority for rail connectivity to the national rail network.
  - Extension of EastLink to the M80.

- Fostering innovation in business through the provision of incentives and support, including:
  - Research and development investment incentives and funding
  - Information and communication technology investment, including high speed broadband
  - Strengthen relationships with the Commonwealth Government to maximise benefits for Victoria’s regions (e.g., to improve regional funding, national infrastructure priorities)
  - Provide training and education programs to grow a skilled and productive workforce
  - Provide small business support services
  - Provide export assistance
  - Access to services (e.g., health, education) to help drive population growth in regional areas
  - Continue to support the Regional Victoria Living Expo to drive population and investment to regional and rural Victoria
  - Invest in local education and training initiatives to keep people in regional areas
  - Invest in links between educational facilities and regional employers
Facilitate improved connection and access to industry development intermediaries at localised delivery points

Formation of e.g. Business Enterprise Centre in key industry nodes of interfaces LGA’s.

• Assessing business impediments, including:
  o Planning processes and regulatory regimes which slow the rate of business growth.
    ▪ For example, Cardinia Shire recently reviewed a number of Country Fire Authority (CFA) referral responses received for a two month period. Eighty eight percent of planning permit applications during this time were received after the 28 day statutory timeframe for a response, delaying council’s ability to issue permits. This is consistent with other referral authorities such as the Environmental Protection Authority.
  o Provision of infrastructure (e.g., roads, rail hubs, ports)
  o Business ‘red tape’
  o Funding cuts to TAFE/ universities
  o Payroll tax rate and Workcover premiums
  o Looking at the utilisation of existing businesses in LGAs and to help them expand their capacity.

• Supporting investment attraction including forming partnerships with local governments who are already working in this area, such as the City of Casey and the Shire of Cardinia. This type of work is not currently being undertaken by the state government.
F) Investigate best practice local economic development initiatives relevant to the terms of reference

Below are several examples of best practice that address challenges and barriers to economic growth in the Casey-Cardinia region.

In recognition of their similarities, the City of Casey and Cardinia Shire Council have identified a number of areas where it is beneficial for them to form a partnership and work together. Both councils have developed comprehensive and targeted marketing material, business development initiatives, and promotional materials to showcase the benefits of the region to prospective businesses.

Monash University Partnership

The City of Casey’s Economic Development Department relocated to the Monash University Berwick Campus in January 2011 as part of a partnership agreement between council and the university. The move allows both parties to work on a range of initiatives to help strengthen the local economy and create more local jobs. This new partnership is a key milestone in the Economic Development Strategy. It will enable joint projects and provide a sound research base for the very challenging work required to support growing and new communities. The location of the Economic Development Department at Monash Berwick is a clear statement of council’s intent to place business investment, attraction and development at the forefront of its priorities.

Casey Economic Development Partnership

The Casey Economic Development Partnership (CEDP) is a partnership between the City of Casey, local businesses, business organisations, voluntary organisations and representatives of local education providers. Its focus is on the development of the local economy for the benefit of local business competitiveness through the growth of existing businesses and the attraction of new business to the City of Casey.

It has a vision that includes:

- Being at the forefront of innovation and change with a prosperous and thriving economy.
- Supporting the progress and success of existing businesses and encouraging new enterprises that will sustain high employment rates.
- Ensuring that all sections of the community are able to benefit from economic opportunities.

The key roles of CEDP are to:

- Support the implementation of the City of Casey Economic Development Strategy and concentrate on the most important issues for the economic well-being of the city. Develop, monitor and review strategic goals and shared ambitions that underpin the economic development of the city.
- Prepare an annual economic development update outlining progress against the actions of the Economic Development Strategy, key economic information and promoting future opportunities in Casey.
- Review performance of council’s economic development function.
- Provide a focus for land and land development issues – particularly the impact on the local economy and how best to respond to needs.
- Provide a focus on skills and inclusion issues – ensuring that future employment needs are considered within the city’s skills, education and training strategies so that the best employment opportunities are available for residents and that businesses have access to a locally based and skilled workforce.
• Provide a focus for supporting existing businesses and encouraging new enterprises and inward investment – maintaining a prosperous and flourishing economy that will sustain high employment rates.
• Providing a focus for considering sub-regional, regional, national and international issues - as they impact on the Casey economy.
• Exploring new ways of working and service delivery.
• Consulting with the wider business community on economic development.
• Providing a focus on how sustainability issues can be considered within proposals for the economic development of the city.

**Casey-Cardinia Investment Attraction Strategy**

A key area of collaboration between the City of Casey and Cardinia Shire Council is investment attraction. To create valuable new jobs within the region, the Casey-Cardinia region must focus on its competitive advantages and in areas that provide real value to the economy in order to attract investment.

The Casey-Cardinia economy is heavily reliant on population driven industry sectors that do not provide equivalent value to the economy as other sectors such as industry and professional business services. There is a need for greater diversification and attraction of high value-added sectors including:

- Food and beverage manufacturing
- Building industry supplies and services
- Professional services
- Transport and logistics
- Health and community services
- Machinery and equipment manufacturing.

Recommendations from the Investment Attraction study include the following policy and infrastructure initiatives:

- Work towards gaining commitment statements from all levels of government to supporting investment attraction and employment growth in the Casey-Cardinia region.
- Develop the Port of Hastings as soon as possible, as it would greatly improve the long term competitiveness of the region.
- Develop the associated infrastructure necessary to support the Port of Hastings development (e.g., roads and rail upgrades).
- Given the region’s status as an identified Growth Area, work with the state government to develop specific investment incentive programs to encourage investment and job growth.
- Commit to delivering East-West road extensions and upgrades, particularly Thompsons Road, to unlock employment lands and improve connectivity and accessibility.

The purpose of this study was to actively determine key actions and requirements for future investment attraction and employment growth.

Recommendations from the Investment Attraction study include the following strategies:

- Marketing the region to raise its profile as a business destination.
- Aggressively pursue business development to identify potential investors.
- Facilitate investment into the Casey-Cardinia region through proactively working with potential investors to streamline the investment process.

The Casey-Cardinia region further recognises that the successful implementation of this strategy lays strong foundations. Significantly, developing essential soft infrastructure
(e.g., work experience programs, industry based learning placement programs) is also necessary to complement, further strengthen and underpin local transition to direct employment pathways and engagement. More equitable access to transport options also plays a role to engagement and access.

Regional NBN Analysis

This project will investigate the state of National Broadband Network (NBN) readiness across the South Melbourne region’s 10 municipalities\(^3\) and articulate what the region should strive for and what needs to be done to get there.

The Committee believes that in order to ensure high speed broadband has a positive impact on the economic and social vitality of the region, a planned approach needs to be taken to the NBN and the digital economy.

The regional analysis will address the following issues:

- The status of NBN implementation in each of the 10 municipalities covered by the Southern Melbourne RDA.
- NBN readiness across each council including the level of understanding of ‘readiness’ requirements.
- Specific issues – e.g., high demand areas which are not part of the three year NBN March 2012 rollout proposal.
- Preparatory activities that could be undertaken by each council to position their municipalities for advanced take-up of NBN.
- Opportunities for connection with established high speed broadband networks which will provide the service in the interim, until roll out.

The study will provide a framework for understanding what is required to facilitate and support NBN roll out for each municipality, the business precincts, key industry sectors and ultimately for the community in the region.

\(^3\) Port Phillip, Bayside, Glen Eira, Stonnington, Kingston, Frankston, Greater Dandenong, Casey, Cardinia, and Mornington Peninsula.