Attracting Employment & Investment to the Casey-Cardinia Region
Summary Paper
RDA – Southern Melbourne

Final Report
October, 2011
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1. **Recommendations**

In response to continued population growth and anticipated future impacts, the following recommendations are made to attract employment and investment into the Casey-Cardinia region:

1. **Commit to supporting investment attraction and employment growth:** Statements of commitment from all levels of Government supporting investment attraction and employment growth in the Casey-Cardinia region would signal a unified approach by government, which would assist in changing the perceptions of the area. These commitments could also be supported further by encouraging relevant divisions in the Victorian Department of Business and Innovation, Austrade and the City of Casey and Shire of Cardinia to actively encourage businesses to consider locating in the Casey-Cardinia region.

2. **Develop the Port of Hastings as soon as possible:** Modelling conducted for this project has identified the dramatic impact that the Port of Hastings development could have on the future economy of the Casey-Cardinia region. Fully committing to the development of the Port of Hastings, including engaging in detailed feasibility and planning studies would greatly improve the long-term competitiveness of the region. Efforts to deliver the Port of Hastings before 2021 should be made.

3. **Develop the associated infrastructure necessary to support the Port of Hastings development:** The development of the Port of Hastings by itself is insufficient to achieve the desired economic, social and environmental benefits. Upgrades and improvements in road and rail infrastructure are also needed. Similar to the Port, commitments to this infrastructure need to be made, including the commencement of detailed planning and feasibility studies.

4. **Develop specific investment incentive program to encourage investment and job growth:** Given the particular circumstances of the Casey-Cardinia region, a special investment incentives program is needed from local and State Governments. A local financial investment incentive program from the City of Casey and the Shire of Cardinia is already under investigation. State Government should consider providing a financial incentive package to encourage investment and job growth in all the identified Growth Areas. Many of them suffer similar issues as in the Casey-Cardinia region such as high residential population increases and slower employment growth. The State Government incentive package could include payroll tax rebates, stamp duty rebates and/or cash grants. Consultation with industry identified that such incentives would encourage industrial development, investment and job growth in the short term.

5. **Commit to delivering East-West road extensions and upgrades:** The extension and upgrade of Thompsons Road will be critical to unlocking the employment lands in the Casey-Cardinia region through improving connectivity and accessibility. These investments should be made in a proactive fashion to act as a catalyst for job growth and investment in the area. Waiting until the area develops will not generate the same type of impacts and should be avoided.
2. The Facts

**Current Population**
- Current population (June 2010) of the Casey-Cardinia region is 328,977:
  - 3rd fastest growing region in the country (behind Brisbane and the Gold Coast);
  - On average, 246 people are moving to the area every week (approximately 85 families per week); and
  - 10-year average annual growth rate of 4.1% eclipses surrounding areas (1.9% in Melbourne’s South East) and the state average (1.6%).

<table>
<thead>
<tr>
<th>Local Government Area</th>
<th>2009</th>
<th>2010</th>
<th>Growth</th>
</tr>
</thead>
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<td>Brisbane</td>
<td>1,052,438</td>
<td>1,067,279</td>
<td>14,841</td>
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<tr>
<td>Gold Coast</td>
<td>514,885</td>
<td>527,828</td>
<td>12,943</td>
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<tr>
<td>Casey-Cardinia</td>
<td>316,195</td>
<td>328,977</td>
<td>12,782</td>
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<td>Wyndham</td>
<td>143,969</td>
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<td>Moreton Bay</td>
<td>371,155</td>
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<td>Casey</td>
<td>247,511</td>
<td>255,659</td>
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<td>Sunshine Coast</td>
<td>323,419</td>
<td>330,934</td>
<td>7,515</td>
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<td>Melton</td>
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<td>107,150</td>
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<td>Wanneroo</td>
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<td>Parramatta</td>
<td>167,261</td>
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<td>Cardinia</td>
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<td>73,318</td>
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<td>Sydney</td>
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<td>167,644</td>
<td>171,996</td>
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<td>Townsville</td>
<td>181,740</td>
<td>185,768</td>
<td>4,028</td>
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Source: ABS (2011a)

**Projected Population**
- By 2031, 575,507 people will live in the Casey-Cardinia region:
  - An increase of 246,530 people from 2010;
  - An increase of 75% of the current population; and
  - Almost 11,700 residents per year will move into the region:
    - 225 people per week or approximately 78 families.

**Strong population growth will likely remain, which will continue to place pressure on existing infrastructure and cause growing congestion.**
Attracting Employment & Investment to the Casey-Cardinia Region

Summary Paper

Figure 2.1: Historical & Projected Population Growth, 2001-31

Table 2.2: Regional Comparison

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<thead>
<tr>
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<th>Casey-Cardinia</th>
<th>Geelong</th>
<th>Ballarat</th>
<th>Bendigo</th>
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<tr>
<td>Distance from Melbourne</td>
<td>45km</td>
<td>77km</td>
<td>118km</td>
<td>152km</td>
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<tr>
<td>Population (2010)</td>
<td>328,977</td>
<td>220,068</td>
<td>96,097</td>
<td>104,192</td>
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<tr>
<td>Population Growth (2009-10)</td>
<td>4.0%</td>
<td>1.7%</td>
<td>2.1%</td>
<td>1.7%</td>
</tr>
<tr>
<td>Average Annual Population Growth (2005-10)</td>
<td>3.9%</td>
<td>1.6%</td>
<td>2.0%</td>
<td>1.9%</td>
</tr>
<tr>
<td>Population Growth (2005-10)</td>
<td>21.0%</td>
<td>8.3%</td>
<td>10.4%</td>
<td>9.9%</td>
</tr>
<tr>
<td>Average Incomes (2007-08)</td>
<td>$40,391</td>
<td>$39,745</td>
<td>$35,513</td>
<td>$35,553</td>
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<tr>
<td>Self-Sufficiency Rate (2006)</td>
<td>44.1%</td>
<td>86.6%</td>
<td>101.2%</td>
<td>89.6%</td>
</tr>
<tr>
<td>Unemployment Rate (March Q 2011)</td>
<td>5.9%</td>
<td>6.7%</td>
<td>7.9%</td>
<td>6.4%</td>
</tr>
<tr>
<td>GRP (2009-10) $M</td>
<td>$7,144</td>
<td>$9,005</td>
<td>$4,368</td>
<td>$4,676</td>
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<tr>
<td>GRP (2009-10) per capita</td>
<td>$21,716</td>
<td>$40,921</td>
<td>$45,458</td>
<td>$44,883</td>
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</table>

Note: Berwick, VIC used for measuring distance of Casey-Cardinia from Melbourne. CBDs of other centres used.

Source: AECgroup, ABS (2010c), ABS (2011a)

Economy

- Local economy (in terms of Gross Regional Product 2009-10) is $7.1 billion:
  - 3-year average annual growth rate of 6.5% is higher than surrounding areas (5.6% in Melbourne’s South East) and above State average (5.1%):
    - Growth in Casey-Cardinia economy has been due to population growth.

The economy of the Casey-Cardinia region is heavily reliant on population driven industries, providing significant risks to future sustainability of the region. Without sufficient local economic development and targeted investment attraction, the economy will continue to rely on population growth to provide jobs.
The Casey-Cardinia economy is heavily reliant on population driven industry sectors:

- The construction industry is the single largest contributor to GRP, employment and number of total businesses;
- Population driven industry sectors (i.e. construction, retail trade, education and healthcare make a significant contribution to the economy):
  - Over 40% of GRP;
  - Over 50% of all employment; and
  - Over a third of all businesses.

Table 2.3: Casey-Cardinia Current Economic Overview

<table>
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<tr>
<th>Industry</th>
<th>GRP</th>
<th>Employment</th>
<th>Business Counts</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agriculture, forestry &amp; fishing</td>
<td>4.5%</td>
<td>4.2%</td>
<td>6.7%</td>
</tr>
<tr>
<td>Mining</td>
<td>1.4%</td>
<td>0.3%</td>
<td>0.1%</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>10.4%</td>
<td>8.8%</td>
<td>4.9%</td>
</tr>
<tr>
<td>Electricity, gas, water &amp; waste services</td>
<td>1.3%</td>
<td>0.7%</td>
<td>0.5%</td>
</tr>
<tr>
<td>Construction</td>
<td>15.0%</td>
<td>17.9%</td>
<td>26.8%</td>
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<tr>
<td>Wholesale trade</td>
<td>7.8%</td>
<td>4.3%</td>
<td>3.8%</td>
</tr>
<tr>
<td>Retail trade</td>
<td>8.7%</td>
<td>14.2%</td>
<td>6.0%</td>
</tr>
<tr>
<td>Accommodation &amp; food services</td>
<td>2.8%</td>
<td>6.3%</td>
<td>3.0%</td>
</tr>
<tr>
<td>Transport, postal &amp; warehousing</td>
<td>5.5%</td>
<td>5.6%</td>
<td>12.2%</td>
</tr>
<tr>
<td>Information media &amp; telecommunications</td>
<td>1.6%</td>
<td>0.9%</td>
<td>0.4%</td>
</tr>
<tr>
<td>Financial &amp; insurance services</td>
<td>5.5%</td>
<td>1.3%</td>
<td>4.7%</td>
</tr>
<tr>
<td>Rental, hiring &amp; real estate services</td>
<td>4.1%</td>
<td>1.5%</td>
<td>7.4%</td>
</tr>
<tr>
<td>Professional, scientific &amp; technical services</td>
<td>5.4%</td>
<td>3.9%</td>
<td>8.9%</td>
</tr>
<tr>
<td>Administrative &amp; support services</td>
<td>2.7%</td>
<td>2.7%</td>
<td>4.5%</td>
</tr>
<tr>
<td>Public administration &amp; safety</td>
<td>2.5%</td>
<td>3.4%</td>
<td>0.4%</td>
</tr>
<tr>
<td>Education &amp; training</td>
<td>9.1%</td>
<td>9.1%</td>
<td>0.8%</td>
</tr>
<tr>
<td>Health care &amp; social assistance</td>
<td>8.0%</td>
<td>9.5%</td>
<td>2.5%</td>
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<tr>
<td>Arts &amp; recreation services</td>
<td>1.2%</td>
<td>1.8%</td>
<td>1.3%</td>
</tr>
<tr>
<td>Other services</td>
<td>2.3%</td>
<td>3.7%</td>
<td>5.1%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>100.0%</td>
<td>100.0%</td>
<td>100.0%</td>
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Source: Australian Bureau of Statistics (2010b), AECgroup
**Employment**

- Given the nature of the Casey-Cardinia economy (i.e. reliant on population driven industries), many residents are forced to seek employment outside of the region:
  - As of 2006, 70% of residents left the region for work every day:
    - Over 87,000 workers;
  - The self sufficiency rate (proportion of local jobs to local resident workers) is 44%; and
  - The self containment rate (proportion of residents living and working locally to local resident workforce) is 32%.

**Figure 2.3: Journey to Work, Casey-Cardinia Region, 2006**

As the population continues to grow, if more, non-residential service jobs are not provided, existing congestion will grow and stress on infrastructure will continue to increase.

- Despite the economy growing, unemployment in the Casey-Cardinia region is higher than the surrounding areas and the state:
  - Unemployment in the Casey-Cardinia region (6.0%) is higher than the surrounding areas (4.9% in Melbourne's South East) and the State average (5.1%); and
  - Over the last 4 years, the unemployment rate in the Casey-Cardinia region has grown by 2.2 ppts while the surrounding area (Melbourne's South East) grew by 0.6 ppts and the State by 0.1 ppts during the same time period.
Figure 2.4: Labour Force & Unemployment Rates, 2006-2010

Source: DEEWR (2010)

- Average income in the Casey-Cardinia region was $40,391 in 2007-08:
  - Income in the Casey-Cardinia region is considerably lower than the surrounding areas ($45,873 in Melbourne’s South East) and the State ($42,782); and
  - As incomes levels have grown over time, the Casey-Cardinia region has consistently been below the surrounding areas and the State average.

Figure 2.5: Average Yearly Incomes, 2003-04 to 2007-08

Source: Australian Bureau of Statistics (2010c)

As the economy has grown, jobs and incomes in the Casey-Cardinia region have not kept pace with surrounding areas and the State averages.
3. The Issues

**Current Issues**

The recent development of the Casey-Cardinia region (i.e. strong population growth and low levels of investment attraction and job growth) has caused many current issues:

- An estimated **102,000 residents leave the region** every day for work (15,000 more than in 2006);
- Residents are **spending an estimated $384 million in travel costs** to get to work;
- On average, a resident of Casey-Cardinia is forced to **spend a total of over 300 hours** (close to two weeks away from family) travelling to work\(^1\);
- Based on BTRE\(^2\) estimates, the current **social costs of congestion in the Casey-Cardinia region are $344 million**;
- Based on BTRE data, the **economic cost of pre-mature death and disease** caused by motor vehicle pollution in Melbourne is $861 million, equally approximately $70 million for the Casey-Cardinia Growth region, based on population;
- Based on average commutes and per vehicle carbon emissions, **Casey-Cardinia residents currently produce 400,000 tonnes of carbon** by commuting to work;
- **Considerable retail spending leaks** from the region during the work day, based on the large amount of local residents that leave the region every day for work; and
- There are **numerous health impacts** on residents due to congestion and travel time such as higher levels of stress, less time for exercise and lower levels of personal wellbeing.

**Future Issues**

Modelling indicates that by 2031 these issues will continue to worsen if the status quo continues:

**Table 3.1: Future Impacts of Current Issues**

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<th>Issue</th>
<th>2031 Levels</th>
<th>Increase from 2011</th>
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<tr>
<td>Residents leaving the region for work</td>
<td>163,000</td>
<td>62,000</td>
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<tr>
<td>Travel costs</td>
<td>$946 million</td>
<td>$562 million</td>
</tr>
<tr>
<td>Travel time</td>
<td>457 hours (nearly three weeks)(^{ (a) })</td>
<td>150 hours (nearly one week)(^ { (a) })</td>
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<tr>
<td>Social costs of congestion</td>
<td>$570 million(^ { (i) })</td>
<td>$226 million</td>
</tr>
<tr>
<td>Carbon emissions</td>
<td>659,000 tonnes</td>
<td>259,000 tonnes</td>
</tr>
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</table>

Note: \(^{(a)}\) assumes a 1% increase per annum in travel time. \(^{(i)}\) $570 million is an estimate for 2020.


**The issues created by a lack of investment attraction and job growth in the Casey-Cardinia region will intensify in the future, significantly impacting the economy, the community and the environment.**

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\(^{1}\) This estimate is conservative as it does not include additional time spent due to congestion.

\(^{2}\) Bureau of Transport and Regional Economics
4. The Solution

Policy changes, infrastructure investment as well as proactive investment attraction can change the future and address these issues.

**Policy & Investment Recommendations**

1. Commit to supporting investment attraction and employment growth;
2. Develop the Port of Hastings as soon as possible;
3. Develop the associated infrastructure necessary to support the Port of Hastings development;
4. Develop specific investment incentive program to encourage investment and job growth; and
5. Commit to delivering East-West road extensions and upgrades

**Investment Attraction**

The following investment attraction strategy has been developed to encourage local investment and job creation. A detailed work program to support this strategy has also been developed.

Figure 4.1: Investment Attraction Framework, Casey-Cardinia

1. **Marketing**
   - 1. *Raising the profile of the Casey-Cardinia Region*
   - Developing a comprehensive suite of marketing material that broadly promotes the area for business is important. The material should be targeted across various market segments and industry sectors. Attendance at trade shows, conferences and other industry/networking events will be necessary as well as a strong public relations campaign, including press releases and announcements from Government.
   - *Output: Marketing material, press releases and news articles about business in the area*

2. **Business Development**
   - 2. *Aggressively pursuing business development*
   - Developing strong networks to identify and engage with prospective investors (both property developers and corporate end users) will be important. Building strong systems and personal relationships will provide a solid foundation for recruiting investment and jobs.
   - *Output: Strong annual program of business development, including the generation of investment leads*

3. **Investment Facilitation**
   - 3. *Facilitating investment*
   - Providing excellent customer service as well as customised information packages to prospective investors will build confidence in the location and assist with the investment decision. Ensuring a smooth and efficient planning process can help to generate investment outcomes. Targeted incentives can assist in the investment facilitation process.
   - *Output: Creation of an investment facilitation program*

Source: AECgroup
The Results

Modelling indicates that with the necessary policy changes, investment in catalytic infrastructure and a proactive investment attraction program, the future in 2031 could look very different:

- **A larger, more diverse economy** ($5.4 - $14.9 billion larger than the status quo - $22.1 billion);
- **More local jobs** (32,400 – 80,600 more than the status quo – 166,000);
- **Less people leaving the region for work** (a reduction of 16,000 - 40,000 from the status quo – 163,000);
- **Travel cost savings** (an annual savings of between $131 - $328 million by 2031);
- **More time at home** (between 208,000-517,000 more days at home by 2031);
- **Lower social costs of congestion** (reduction of $16.6 million by 2020);
- **Lower economic costs of various health conditions** (10%-25% reduction by 2031); and
- **Lower carbon emissions** (reduction of 65,000-163,000 tonnes of carbon emissions by 2031).

Outside of these benefits, there would be a multitude of qualitative benefits, including increases in retail spending as local resident workers are likely to spend more money locally on food services, personal services (i.e. dry cleaning, hair dresser, etc.) as well as leisure activities, if they worked locally. The social benefits would include increases in personal wellness from lower levels of stress and increased levels of health from having more time to relax or exercise. Additionally, family and community cohesion would be improved from having more time to spend at home and in the community.
References


Bureau of Infrastructure, Transport and Regional Economics (BITRE), (2010a), *Australian Sea Freight 2008–09*, Canberra ACT.

Bureau of Infrastructure, Transport and Regional Economics (BITRE), (2010b), *Airport Traffic Data 1985/86 to 2009/10, Canberra ACT.*


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<td>Brisbane</td>
<td>Level 5, 131 Leichhardt Street</td>
<td>PO Box 942</td>
<td>+61 7 3831 0577</td>
<td>+61 7 3831 3899</td>
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<tr>
<td></td>
<td>Spring Hill QLD 4000</td>
<td>Spring Hill QLD 4004</td>
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<tr>
<td>Melbourne</td>
<td>Level 13, 200 Queen Street</td>
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<tr>
<td>Sydney</td>
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