

TRANSCRIPT

ECONOMIC DEVELOPMENT AND INFRASTRUCTURE COMMITTEE

Inquiry into local economic development initiatives in Victoria

Melbourne — 8 November 2012

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Mr S. Wojtkiw, Executive Manager, Policy (sworn), Victorian Employers' Chamber of Commerce and
Industry.

The CHAIR — Welcome to the public hearings of the joint-party Economic Development and Infrastructure Committee's Inquiry into local economic development initiatives in Victoria. All evidence taken at this hearing is protected by parliamentary privilege. Comments you make outside this hearing are not afforded the same level of privilege. I ask you to state your names, your positions and whether you are appearing on behalf of an organisation or on behalf of yourself.

Mr WOJTKIW — Steven Wojtkiw, Executive Manager, Policy, VECCI — Victorian Employers' Chamber of Commerce and Industry.

Mr CLANCY — Richard Clancy, Executive Director of Industry Policy and Workplace Relations Services, Victorian Employers Chamber of Commerce and Industry.

The CHAIR — Excellent. I invite you both to make a verbal presentation.

Mr WOJTKIW — Thank you, Chair and Committee members. Certainly we would like, from the point of view of VECCI, to indicate our delight at being participants of this inquiry process and the opportunity that has formed today to appear before you. As Victoria's largest and most influential business organisation we certainly have among our membership many local government organisations. They are based both in metropolitan Melbourne and also regional areas of Victoria. They include not only the major city local government agencies, councils and utilities, but also shires and boroughs.

VECCI recognises and supports the important role local government has in contributing to the State economy. We recognise this inquiry is about local economic development, but we have a focus very clearly on the role of local government in that particular process. The local government role and contribution is a very diverse one in our minds. It is one which includes supporting local businesses, economic trade and investment and employment growth, as well as helping to manage the pressures of population growth, to foster social participation and amenity and to build environmental resilience.

We also clearly recognise that there are a number of challenges for local government and local economic development, not the least that some local government areas are characterised by relatively high levels of unemployment compared to the rest of the State; lower average incomes; poor education and health outcomes; and high levels of youth disengagement in regard to higher education and workforce participation. We also note that in some local government areas employment prospects are quite weak relative to the rest of the State and that their higher order services, whether that be in education, TAFEs, kindergartens, schools, courts or libraries, are inadequate to certainly meet future population growth projections.

We believe the Committee would be already aware of the work of the interface councils. They themselves through that work have estimated that some \$9.5 billion in new or upgraded infrastructure and related services will be required over the next 15 years in order to close some of those gaps in existing service standards and accommodate projected population increases in those particular council areas. A lot of those monies would need to be dedicated and devoted towards public transport, with the remainder going into kindergartens, schools, hospitals and libraries. There is therefore in our minds a very clear challenge — an infrastructure challenge — for local government, which will need to be addressed sooner rather than later. Of course the solution is relatively elusive, given the limits of both local government budgets and also, of course, the budgets of state and federal governments.

In making our opening remarks I would like to point out that our submission has not sought to address all of the issues covered in the Inquiry's terms of reference. We have focused instead on those issues we consider particularly important to local economic development, and I will talk on those issues briefly. The first one is the appropriate role of local government in generating economic development and the allocation of responsibility in this area with the State Government. In our view both local and state governments have key roles to play in supporting economic development throughout the State. For the State Government the principal task is really about setting the overarching economic framework. We see it in the Government's best interests to endeavour to manage the State's finances responsibly, to keep business costs low and competitive, to provide law and order, to undertake significant investments in infrastructure and to deliver quality education, health and public transport services.

Local government operates within that prism ideally to complement state government in its own economic strategy by ensuring that local government policies and programs and service delivery efforts are conducive to

business and community growth. This role is played out by local government in infrastructure provision, in managing and delivering an array of community services — whether that be in waste disposal or local roads, libraries, kindergartens, schools, aged-care services and so on — and through regulation, particularly in the planning and building approvals process, and the promotion of local economic strengths and opportunities. We would like to indicate that we see both governments having very clear and very important roles in ensuring that Victoria remains economically strong and culturally vibrant.

The second area of our submission addresses the question as to whether or not the role of local government in rural and regional areas is different or should be different to that of their metropolitan-based counterparts. In our view there are a number of similarities in task between local governments in the rural and regional areas and their metropolitan counterparts: for example, they all need to manage ratepayer funds responsibly; they all need to help ensure that their communities grow not just economically but culturally — in other words, to promote the benefits of liveability; they all need to have a strong focus on generating local employment outcomes; they all need to ensure that infrastructure is sufficient, affordable, reliable and accessible; and last but not least, they all need to ensure that service delivery standards are as high as they should be or need to be.

If there are role differences, these are likely to relate to the need to understand, plan for and respond to structural and spatial differences that can exist in different municipal locations. I am talking here about the composition of local government populations and their labour forces, which can vary. Questions arise as to whether they are relatively homogenous or unique in terms of their age profile or their cultural background; issues around educational attainment and skill sets; whether their respective industries are oriented towards the goods-producing or services sectors; whether there is a preponderance of small business or larger businesses, for example, whether those industries and communities in those respective regions and locations are under particular strain or structural adjustment pressures — a good example would be the Latrobe Valley, which has clearly been an area under strain from a range of structural influences, such as the carbon tax and until recently the risk of contract for closure — and whether or not local government areas are small and concentrated geographically or spread out.

Those sorts of differences, in our mind, are ones which necessitate different priorities and different responses and approaches between different local governments. But as we have seen in our own consultations this year in regional Victoria as part of the Regional Business Convention process, the best performing areas, including those in regional Victoria, are those that manage those differences effectively. They understand their communities and the many pressures that they are under. They try to shape their future rather than have it shaped for them. Those are the local governments that are proactive and engaged and cooperate with all stakeholders in their community, not least in the business community and governments.

The third issue we have addressed in our submission is the one of barriers to local economic development. On that front there are two which are quite notable for us. The first is business regulation. In our mind the good news is that most local governments do in fact have a proactive approach to facilitating business expansion at the local level and certainly understand how red tape can be damaging, particularly to small business. Where we have noted problems though, from our own surveys and consultations with members, is in areas like building standards — whether it relates to the materials that are used, the signage or the sort of labour that is engaged — and their interpretation, and we have found that that is a problem that actually varies across the states, not least between the state or within the state, but it varies across the states, and we have suggested that issue should be looked at by the COAG process.

The other issue relates to regulation again. It is the planning approval process and having regard for the reforms the State Government itself has recently introduced in terms of zoning law reforms. We think they are particularly good and help provide greater clarity in and around what particular land use purposes exist for different locations. But again it is not so much delays on the part of local government and the planning approval process but the blurred lines and inconsistencies that can exist between the decisions of local or state government, and VCAT, for that matter. In our mind there is a role or need for greater clarity in terms of the respect of roles, responsibilities and powers between those respective players as it relates to the planning approval process.

Last but not least the final part of our submission provides some comments on the way in which local economic development, employment and investment can continue to be supported. We have some suggestions, if I could just touch on them. One of them is to prioritise local government infrastructure projects. There is no shortage of

competing demands — all of which are costly — so agreed priorities would help to define projects that either need to be fast-tracked immediately — in other words, the short term — those which should be developed within the next three to five years, or over the medium term, and of course those which can and should be pursued over the longer term. Not least there is also a need to look where we have existing infrastructure as to whether we can get more efficient uses and outcomes without recourse to new infrastructure.

Arguably the local government sector as a whole as part of its role in fostering local economic development could benefit from the development of a longer term jobs and/or investment plan that maps the assets, whether that be human capital or natural resource assets of respective municipalities. It looks more closely at industry structures and prospects across different areas, identifies either existing or new or greenfield business and related employment or investment opportunities and also identifies barriers to growth and puts forward recommendations to address them.

We also believe it would be useful if that particular blueprint or plan could outline not only potential employment gains but also other benefits associated with infrastructure prioritisation. Those benefits might be improved urban amenity, technology transfer, access to markets, improved connectivity between markets, trade and investment facilitation or environmental improvements.

As part of what can and should be done to support further local development, we believe next year's state budget does provide that window of opportunity to reinforce some key priorities, particularly at the local government level. In so far as red tape goes, we will certainly be supporting the calls by local government for priority attention to continue to be given to reducing those regulatory constraints or overlays that exist in the planning, zoning and building approvals process.

The CHAIR — Have you identified those?

Mr WOJTKIW — We have, in so much as having some separate research looking at members' interaction with regulations generally and local government specifically.

The CHAIR — Can you provide us with that research?

Mr WOJTKIW — We have some separate reports that I can provide to the Committee today which articulate in further detail some further examples.

The CHAIR — Excellent.

Mr WOJTKIW — Inasmuch as fostering skills at the local level, there could be an argument put forward that we need a dedicated skills package to be developed to build greater local employment opportunities in local government areas, whether that be in interface areas or our regional areas. So too with investment attraction and the need for further work and closer assistance from government — whether that be in agencies like DBI or Invest Victoria — to work with councils to attract new investment.

Inasmuch as major events, local government could also encourage the Government and the events sector to explore opportunities for local government areas to attract and/or host major events in their part of the world.

Finally, inasmuch as government purchasing, we believe there is further scope to encourage the Government through its VIPP — its industry purchasing policy — and through the work of bodies like the Industry Capability Network — the ICN — to maximise local government business opportunities in the Victorian Government tender process. We have seen the way in which certain local governments have been involved — for example, in Bendigo with the new Bendigo hospital development working with the State Government, working with business and the private sector, small and large businesses alike, to maximise opportunities in the design, construction and delivery phases of that particular process. So it is a good example, and we will see more examples like that encouraged by way of collaboration between governments at all levels in the major projects process.

VECCI will certainly be reinforcing these themes and priorities on behalf of local government and in the interests of local economic development more generally in our submission to the state budget, but also on an ongoing basis in the representations with key decision-makers over the year ahead. That concludes our opening

comments, Chair, but Richard and I would be delighted to receive questions from yourself and Committee members accordingly. Thank you.

The CHAIR — Thank you very much.

Mr FOLEY — If I could start off, thank you very much for your presentation and the written submission from your chief executive. It is very important that Victoria's peak body in this sector of economic development and private industry be heard. If I can perhaps follow up on two very separate angles. The first is you mentioned that many local government areas are members, and we were a bit surprised from other submissions from the local government sector as to the lack of attention given to economic development and planning structurally within local government. What you have said is counter to that, that perhaps as VECCI members local government plays perhaps a segmented role. So I would be interested to know what level of interaction at an organisation and planning level you see economic development being in the forefront of local governments, whether that is patchy or whether there is best practice or not?

Mrs PEULICH — Could I just add to yours? Could you perhaps identify the characteristics of those organisations where interaction and engagement is good and the characteristics of those areas of local government where the level of engagement and focus on economic development is less than inspiring?

Mr FOLEY — Feel free to name names if you like, but I understand if you do not want to. That was one set of issues. The other was you started off on infrastructure and the importance of the contribution, and the submission from Mr Stone essentially talks about local government having a facilitation and a bringing-together role. The Committee has had a range of different submissions from key stakeholders — the Committee for Melbourne, the Property Council of Australia, various academics, and a whole host of other direct submissions as well — looking to alternative financing models beyond, but not excluding, government debt and PPPs, the whole range of everything from an increased role for local government, particularly in value-capturing mechanisms and growth area levies. The Committee for Melbourne had a whole range of provisions around transport generally but particularly public transport, how to look at the funding and delivery of those.

In terms of that \$9.5 million just for that one group of councils, when you look at the infrastructure deficit more generally and its importance to local strategic economic development, does VECCI have a view on alternative funding models beyond those instruments that are already, if you like, in play through Infrastructure Australia's consideration, state government direct debt, federal government direct debt and other models that are more commonplace at the moment?

Mr WOJTKIW — Sure. Thank you for those questions, and there are questions within the questions. If I could start with your first one about the level of, I guess, sophistication that exists with local government in so much of the forward planning and economic development process.

We were pleasantly surprised in our work this year undertaking the Regional Business Convention, where we undertook a number of workshops throughout regional Victoria — all the main city centre areas if you like, but also as part of that bringing in a lot of the outlying regions, boroughs, shires and businesses and community leaders from those as well — to find that they are perhaps less well known but well developed in their own strategic plans, looking very closely at what are the characteristics of their region and how have those characteristics changed. Where are those opportunities, whether that be through human resources, through existing or potentially new infrastructure, through natural assets, tourism, new ways of developing new markets, of selling not just around price but around quality, around experience?

Many councils in their respective economic development units in regional Victoria have developed forward plans. They have a vision about what they would like their regions to look like 10, 15, 20 years out, a vision that understands where the pressures are now and where, if left unchecked, those pressures will manifest themselves in ultimately lower population growth, lower income levels, lower levels of investment, lower than average levels of earnings, fewer local job opportunities, fewer trade opportunities, and so it goes.

As part of that, as I say, they have sought to perhaps project forward where they would like to reshape their communities to take advantage of not least the Asian century and new markets, whether again they be in the service sector or manufacturing, creating some niche opportunities. So the short answer is: there is a level of robustness to their analysis. They have and do produce documents. They consult relatively widely within their own local communities, and that is not to say that they could not be even more deeper or wider.

Their challenge is that there are so many regions all doing so many things like that. It is noisy and therefore VECCI and groups like it take a view that we can help be the conduit to perhaps provide some sifting of what are the ultimate priorities, whether they be in infrastructure or in human resources or in trade or investment, and try and lift above the noise, if you like, the key messages for individual regions but also for the State as a whole.

So it is finding that common ground and then getting the message to market — the market being, yes, policy-makers of all persuasions but also to bring the communities that those businesses those local governments operate in with them — because we know that there are different views still in many communities about just what that future should look like.

Mrs PEULICH — So your regional Victoria was really with regional councils?

Mr WOJTKIW — Yes.

Mrs PEULICH — And I think that confirms the evidence that was given by a previous witness that there was quite a bit of activity, but that level of activity, certainly from my knowledge of the local government sector, did not appear to be matched in the metropolitan Melbourne area. Are you able to comment on that?

Mr WOJTKIW — I can insomuch as we have been encouraged by the recent work of the interface councils. They have been, perhaps undeservedly, the poorer cousins in the overall debate and focus on state growth, if I can say that. There is naturally attention on Melbourne, as it should be, on our regions, as there should be that attention, and in between, if you like, there are still vital interface areas that have really been the ones that have borne a lot of the brunt of that population growth and the demands that have come with that for roads, for education, for schools — —

Mrs PEULICH — For jobs and industry.

Mr WOJTKIW — That is right. So we have certainly encouraged and supported the work they have done thus far to articulate and quantify what the quantum of that infrastructure task will be and to put forward our views that, yes, we want infrastructure, but not for infrastructure's sake. It needs to go around building those local employment opportunities, building more business opportunities, building or improving connectivity between the interface areas and wider state and other markets, for example.

Mrs PEULICH — So specific challenges have driven these councils to be more proactive?

Mr WOJTKIW — Yes, correct.

Mrs PEULICH — In regional Victoria, for obvious reasons, interface councils, for the obvious reasons. You still have not commented on the significant number of councils that fall outside those two categories where much of, say, in the south-east, large tracts of industry and business actually reside.

Mr WOJTKIW — I think the interface councils themselves do in fact cover those large tracts, those growth corridors, whether they be north, west, south or east, they, through their respective membership, embody pretty much the major growth corridors of Melbourne between the city and its regions. I do not think there are too many gaps. If there are, if you like — —

Mrs PEULICH — In terms of economic development engagement.

Mr WOJTKIW — Correct.

Mrs PEULICH — Give me five indicators that you use to judge whether a council is a standout or is being constructive and positive or encouraging of economic development and those that are not. What are the five indicators?

Mr WOJTKIW — The standout is the fact that they have actually undertaken research, they have consulted at certain points, they understand where they have been but also where they want to go. In other words, there is a vision and an action plan to get there. They understand the pressures that exist on governments, though they are realistic, as a characteristic or an attribute in terms of understanding the financing task, as we have just talked about, in needing to be more creative, in needing to bring their own communities along with them in terms of that reform task as well. To go back to your comments about — —

Mrs PEULICH — Sorry, I represent five council areas — half a million people — and there is probably only one of those out of the half a million people who would remotely come to anything that you are saying. They might do research: they might commission a study every five years, chipping in \$10 000 each, but most of them do bugger all with it. So our experiences do not entirely align. I do not mean to challenge you; I am just trying to tease it out.

Mr WOJTKIW — No, again we get those bodies doing that work, but taking it to that next step they will actually come to us and say, ‘Look, what do you think? Let’s get VECCI’s interpretation of this. Are we on the mark? Off the mark?’ Look, it is not always perfect. We will give them some further thoughts about how they need to perhaps refine the numbers. They will need to go back and undertake some further consultation to clarify points. They need to perhaps give some further thought as to how strategically they might position those growth plans into the market, whether that be their own communities or into Spring Street.

Mrs PEULICH — When I questioned one of my local chief executive officers about what they did with this particular study that had been commissioned his answer to me was, ‘Well, I meet with the top 25 chief executive officers once a year.’ That was it.

Mr WOJTKIW — Sure. Look, again, our experience has been a much more wider and more frequent engagement also. Maybe it is coming from a low base from the experience of others, but we are quite heartened by what we see. Yes, there are some big challenges ahead and these problems and challenges will not be overcome quickly, but we think most local government is quite progressive and forward looking in terms of wanting to make a difference because they know the world does not stand still. Whether it be other local governments or interstate local governments they are competing with for that investment, for that capital, for those workers, those employees, ultimately their own economic and financial future depends on having growth and not contraction.

Mr CLANCY — We have detected in some more recent interaction with local government that they recognise that there has to be a high level of information sharing and through that identification of areas of common interest. One of the areas in which a more recent engagement has been around is in terms of a role that, for example, VECCI can play in coordinating what the priorities are and then progressing that through levels of advocacy — —

The CHAIR — Can I ask you, is that not something that the MAV should be doing?

Mr CLANCY — There is a role for the MAV, and that is on behalf of council laws. In terms of the chief executive officers and other council officers, they coordinate through the organisation LGPro. And then in some regional areas, for example, you will get clusters of councils banding together in — —

Mrs PEULICH — A committee or a general economic — —

Mr CLANCY — Yes, economic regional development committees and the like.

Mrs PEULICH — Which actually goes to my next question, if I may. You mentioned — —

Mr FOLEY — Perhaps he could answer my question on community funding issues first.

Mrs PEULICH — Sorry about that.

Mr WOJTKIW — Yes, very good. I will talk on that briefly. There are no silver bullets on that one; I think we all know that. In Chicago — I think you would be aware of the mayor there, who has sought — given the difficulty in raising capital through traditional means — to say, ‘We have some major infrastructure upgrades in the city. For example, our street lighting is costing us’ — this is an example and not necessarily a correct figure — ‘\$100 million a year in a bill to the city. If we can undertake new investment to improve that lighting — more efficient lighting — our bill might be only \$40 million. Of that \$60 million saving, if you — in terms of that capital-raising effort — as an investor would like to receive some of those savings from the city back to you and other consortiums and stakeholders, if you like, that is one way of creating a dividend flow to help repay some of that equity raising.’ It is creative. It can still make commercial sense. It still spreads the risk and so forth. It will not work for all council infrastructure upgrade tasks, but I think there is a point in that model — the Chicago model — that can and should be looked at more deeply.

So too — and, again, without pre-empting where the direction of the discussion and analysis will head — there could be scope for governments at all levels to privatise assets further for those that remain. Of course that will vary between states and locations, but the simple point there is that it potentially frees up some capital for reinvestment back into other, more needed infrastructure, such as we have heard about and on which we have talked in our submission. Simply, there are options on the table to look again, perhaps, creatively at new revenue-raising options — albeit national ones — such as the reduction or removal of the GST threshold on retail goods bought online. That is not to suggest that that has efficacy or not, but the point is that if it were to be the case, it would free up funds for state governments, which would inevitably also flow back to local governments through the financial funding models that exist and may well provide some new revenue flows for local governments beyond which current models are limiting.

Beneficiary pays too — too often we hear of ‘user pays’. A good example of where government has understood that the beneficiaries of reforms and infrastructure investment are often much more widely dispersed than one might think exists in what was originally a freight access charge, initially to be levied on trucks and transport operators using the Port of Melbourne, with the rationale that those moneys would be reinvested back into port expansion. We and other groups took the view that that was a relatively narrow-based burden to be brought to bear on just the truckies — the transport operators — when ultimately they are using the port for you and me and mums and dads and businesses throughout the State.

The Baillieu Government saw fit to — yes, you still need to raise capital and find revenue to expand the port, which it has done, but it did that through the port licence fee, a different model which spreads that fee increase across existing wharfage, berthing and port charges. It is more equitable and recognises that the beneficiaries of port expansion are a much wider mass than one might originally think. The message there is that we need to look at not just who is using infrastructure but who is going to benefit from it, both in the short and longer term.

Mrs PEULICH — Sorry, just that follow-up question, if I may. I think we are hearing some common themes from a number of witnesses — obviously. It does reflect reality. You spoke about identifying infrastructure priorities, and one of the issues we were talking about a couple of days ago was how local, state and federal funds were pooled into a bucket behind some commonly agreed priorities and to have those time frames. Obviously VECCI has an advocacy role. You also spoke about a blueprint or plan for local government — an overarching role — and whilst obviously the Minister has some role there, they are democratically elected councils. So where should that sort of leadership come from? How can we actually capture and form agreement on what the infrastructure priorities are, first and foremost, in terms of, say, the economic development role in local government? Does Infrastructure Australia have a role there in identifying those priorities or helping to coordinate? Is there another body?

Also, driven by need, some of those local structures that emerge — there is the Committee for Melbourne, there is Geelong 21 and so on — are operating very well, but it is obviously not system wide. Is there a solution? Should there be regional structures that capture that a bit more effectively than is currently the case?

I was really surprised and disappointed by the witnesses a couple of hearings ago — the MAV — who actually conceded that even though they do have task forces or advisory committees underneath the board, they did not actually have one that looked at economic development. If you actually have a key peak body not exercising that leadership, to me that is a huge concern. Are you able to comment on how we can fill — I think our perspectives differ a little. I do see a leadership void in the area of economic development, certainly in significant parts of the State, excluding those areas where they have been forced by their economic circumstances to be proactive — interface councils and regional councils in particular.

Mr WOJTKIW — Just as the State Government prepares its own submission and looks closely within its own departments and agencies at the competing options and demands for new infrastructure, inevitably it has to sift that through its own machinations and processes and put a submission ultimately to Infrastructure Australia, who will then vet that against all the other submissions. There is a need for a similar process, as you say, to identify and then funnel priorities in. VECCI is happy to take that role, and we are quite progressed in doing so, because we have some major groups who at least have gotten together within themselves and started to say, ‘These are our priorities.’ Interface councils are one such group. Regional Cities Victoria is another such group. Within those two, for example, you are covering a lot of ground in terms of the major population centres and, arguably, the biggest ticket items.

Mrs PEULICH — Yes, but the ones that are not organised are being overlooked in the process.

Mr WOJTKIW — We will get to that — —

Mrs PEULICH — I am thinking of the south-east in particular. You have the Port of Hastings and the proposal for a new airport. You have the inland port. You have the need for a rail gauge, and there is no unifying voice out there. It is a wilderness.

Mr WOJTKIW — There are voices, but you are right; they are not unified. We do agree that there is further work to be done. I would rather face this problem having the fact that there are groups, albeit that they operate perhaps not as connected as they could and perhaps need groups like VECCI to take them to those next steps — to hold their hands — in terms of both having collaborative discussions amongst themselves but also ultimately preparing a document or series of final documents, rather than many, that can articulate those agreed priorities. We will never get total agreement. I think it is a work in progress, but, again, to reinforce our comments, we have been heartened by the progress thus far.

Mr CARROLL — Thanks, Steven and Richard, for your presentation. Still with local councils, on the skills question — there is a massive expansion of Melbourne Airport. We have the expansion of the ports. Have you seen any evidence — dealing with local councils — of them getting involved to try to assist the local population in those areas, with the relevant skill set to possibly be employed in some of that new, emerging infrastructure that is going to happen?

The CHAIR — Good question.

Mr WOJTKIW — Perhaps if I could answer it this way and say that inasmuch as the Latrobe Valley transition committee, which has good, strong support from government both at state and federal levels — importantly, that is not just governments; it is unions, it is employer groups and it is local government. Latrobe City Council is active, having an industry liaison officer as one of the four officers appointed there, and it is very clear in taking a leadership role in addressing — particularly but not exclusively — the gaps that had been created in recent times when a number of businesses went under and had apprentices in train, yet unable to complete their apprenticeships, and suddenly found themselves out of, if you like, those training opportunities. So councils and other groups, including VECCI, are working to this end through the initiative, which is called 50 Jobs in 50 Weeks, to place those apprentices. So that is one example.

Mr CARROLL — Fantastic.

Mr CLANCY — There is probably an opportunity to take that to some other, more metropolitan areas that you have identified there.

The CHAIR — On behalf of the Committee, can I thank you very much — —

Mrs PEULICH — Sorry, can I just ask one little question?

The CHAIR — Yes, one last question.

Mrs PEULICH — Also capitalising on event opportunities, both Geoff Shaw and I were present at the ironman event, which involved his electorate and most of mine. What I was disappointed by was the inability of some of the councils — not so much the one where there was a starting point — to organise any value-adding, any piggybacking, on the event in order to exploit the economic opportunities. What in your view is the best mechanism by which we can build local government capacity in the area of economic development?

Mr CLANCY — Just on events, I think the Bendigo arts precinct is a very good example of a coordinated approach. If you look at the Grace Kelly exhibition that was up there — the one on couture design — and the benefits to Bendigo in bringing in tourists who then stop and stay and go to other attractions, I think that is a good blueprint to take anywhere in the State. The planning reforms, as they pertain to regional and tourist areas, are a good development. They recognise that there are some improvements that could be made there to improve access to local tourist attractions. So I think there are some examples within the State that other areas can look at and leverage off.

Mrs PEULICH — One final question: can you point to some standout examples in metropolitan, inner and middle Melbourne, of councils that actually are good at economic development, are active?

Mr WOJTKIW — I can say the work of the interface councils, in the main.

Mrs PEULICH — Inner and middle.

Mr WOJTKIW — Inner and middle — Melbourne City Council, without a shadow of a doubt.

Mrs PEULICH — Yes, Melbourne City Council is good. Anything between the city of Melbourne and the interface? Give me a couple of examples so that we can go and have a look.

Mr WOJTKIW — Give me a location.

Mrs PEULICH — Just drop a couple of good names.

Mr CLANCY — At the moment, for example, I am sitting on the port liaison group that has been set up by the Port of Melbourne to engage in community consultation around the redevelopment of the port. On that group sit representatives from Port Phillip City Council, Hobsons Bay City Council, Maribyrnong City Council and I think some executive officers from the Melbourne City Council. Now, that indicates a level of engagement. Obviously there are a range of issues that are covered by the liaison group. There is an example of a major project where councils are becoming involved for perhaps one set of reasons, but out of that will grow an awareness and an understanding that where there may be some perceived threats there are some opportunities as well.

Mrs PEULICH — I will not hold my breath. I understand your optimism.

Mr CLANCY — I think the challenge you put, though, is in the area of suburban councils that cover a smaller geographic area and their capacity to have a broader influence beyond. Really it would depend upon the characteristics of the local municipality.

Mrs PEULICH — It is not even a broader influence. If you go to the websites of some, they do not even have the local traders and chambers of commerce on their website. It is not even a broader influence; it is not a basic influence.

Mr CLANCY — There are going to be different challenges from whether you are highly built up in the city council to whether you are a mixture between suburban and industrial. I think you cannot understate the challenges when you have that sort of profile within your local government.

The CHAIR — On behalf of the Committee can I thank you very much for being here and for your oral presentation and also your written submission. We really appreciate the information we have received. It has certainly been very valuable to us. Within a couple of weeks you will get a transcript of today's proceedings. Please feel free to make any changes to what you think are typographical errors, but not to the substance of the document.

Mr CLANCY — Could we just highlight that one of the documents we put to the Committee was the paper that came out of the regional business convention. Within that, towards the back, you will see the way in which the State's regions are divided and their top five priorities in terms of infrastructure and the like. So it goes to the point that was made earlier: that there is a level of coordination in the regions and an awareness there.

The CHAIR — Thank you.

Witnesses withdrew.