

TRANSCRIPT

ECONOMIC DEVELOPMENT AND INFRASTRUCTURE COMMITTEE

Inquiry into local economic development initiatives in Victoria

Melbourne — 6 December 2012

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Mr P. McNabb, Committee member, Mainstreet Australia (affirmed).

The CHAIR — Welcome, Peter. The evidence you give at this hearing is protected by parliamentary privilege but comments made outside the hearing are not afforded such privilege. Could you please state your name, your position and whether you are representing an organisation.

Mr McNABB — Peter James McNabb. I am an executive member of Mainstreet Australia, which is a non-profit organisation.

The CHAIR — And you are appearing on behalf of that organisation?

Mr McNABB — I am.

The CHAIR — You will be sent a transcript of your evidence in today's proceedings and that will become a public document. We would welcome your making an oral presentation now.

Overheads shown.

Mr McNABB — I intend to be relatively brief. I presume that members of the Committee have read our submission.

The CHAIR — Yes.

Mr McNABB — I will begin by saying who we are. As a non-profit organisation, we represent business associations, governments, chambers of commerce, marketing and centre managers and business consultants who are interested in town centres and strip shopping business centres across Victoria and in the rest of Australia — it is a national organisation. We have been established in one form or another over the past 10 years, and we believe we have a quite strong advocacy role with respect to governments and so forth. We helped to establish the initial Streetlife program that the Kennett Government ran, and we were involved in the renewal of that program recently by Minister Asher. We have been involved in a series of other things to promote main streets and town centres.

The main reason why we were established was really to provide for a lot of disparate groups a sort of key central point for information exchange and networking. We provide professional development programs and we run conferences and the like. Really it is a collective voice to advocate on behalf of all those interests, to get more attention to and focus on those centres.

Our charter really is that we see these centres as a major focus for the community. In fact we would say that these places are the heart of the community. What we are about is building community capacity, bringing people together and strengthening them. Particularly I guess in our rural and regional areas, town centres are often the glue that holds a community together. It is a place where they come together in times of crisis as well as celebration, so we think they are an important community as well as economic development asset.

In that sense, we are interested in providing a range of services to support those centres. We believe strongly that state and local governments have an important role to play in partnership with business associations to develop those centres further, and we want to be actively engaged in ensuring that the best outcomes are achieved and the best practices are put in place for those places.

We had Essential Economics, a national economics firm, do some work for us last year just to highlight the economic value of main streets, and this slide shows a few statistics that came from their report that show the number of jobs that are created. When we talk about 680 centres, they are reasonably large centres, and if you look at the corner milk bars as well, it is clear there is whole heap of other clusters — probably 300, 400 or 500 — of small groups of shops. It is a significant part of our urban structure, and it really is a focus for not only retail but also a whole range of non-retail activities as well.

The last point on the slide is important in that in these centres there are probably 70 or 80 of what are called special rate programs — management and business development programs — that are operating in 70 or 80 centres across Victoria. There are quite a number in Melbourne but also in Ballarat, Geelong and Mildura. They are generating over \$8 million of activity every year, which in terms of spin-off effect is probably generating another \$40 million worth of activity each year.

Mr FOLEY — That is the special rate programs?

Mr McNABB — Yes, that is correct.

Mr FOLEY — Administered by local government but within the parameters set by the State's rules on this?

Mr McNABB — Yes. They are set by the parameters in the Local Government Act.

Mr FOLEY — That is right.

Mr McNABB — Local government puts them in place and then usually has an agreement with a business association or a chamber of commerce to run the programs.

Mr FOLEY — As to how that funding is expended.

Mr McNABB — Yes. The focus of our submission today is really to address very briefly the six issues that you are concerned about. I have just highlighted those issues there on that slide, and I will touch on them very briefly. Because we have a membership that comes from local government — pretty well most of the local governments in Victoria are members of our organisation — we have a pretty good idea of the kinds of programs that local government is delivering with respect to economic development. They are just summarised there; I do not want to spend a lot of time on them.

In terms of the appropriate roles, we think as far as local government is concerned that the role for them is very much providing good policy frameworks and controls to facilitate new investment. Whether that is in the planning area or economic development policy or whatever, those frameworks are extremely important. In terms of specific economic development programs, it may be direct assistance in business planning and centre management or it might be shop local campaigns or things of that sort. Clearly with respect to the last one, new infrastructure investment, may be car parking facilities or streetscape improvements — all those sorts of things add up. Basically we are saying that the role of local government is pretty strong in most of the municipalities across Victoria in this area.

With respect to the role of state government, again we think there is both a regulatory or policy framework side and also a direct delivery side. We think a strong centres policy as part of a metropolitan strategy is very important. It has really been a bipartisan component of planning strategy for 50 years or more that I have been involved in it in Victoria, and we think it is a really important thing to recognise the economic and social role of centres within a metropolitan strategy. Also important are appropriate commercial zones that provide both flexibility and also certainty for what happens within those centres, effective procedures or processes for the management and marketing programs under the special rate schemes, and grant programs and business advisory services. I think land assembly and development in key areas is important. Where the State Government has come in to help to facilitate some of that work we have seen some very significant results. And last but not least, effective public transport. These centres are often really held together by excellent public transport and infrastructure, and that is critical. So we take a holistic approach to what local and state government should be providing to make this work.

What we say in our submission is that we think councils have done a pretty good job, but we think that the state government role is more limited than it should be. In particular we express some concern about the emerging metropolitan strategy. We would like to see a stronger centres policy emerging there. The discussion paper that has been released talks about a polycentric city and a 20-minute city and the like, but some of the fundamental principles that were elaborated in previous centres policies are not provided with the same strength in this discussion paper that we think is necessary.

With respect to the commercial zones, we think that the Minister's reform plannings also have a lot of merit in them in terms of providing greater flexibility on the movement of uses within centres. But we are concerned about the proliferation of key retail uses like supermarkets and smaller retail uses occurring in areas outside of centres, whether it is bulky good areas or technology precincts or business parks, which previously had very specific roles. We think that those roles are appropriate, but to have the proliferation of retail and other activities occurring there will undermine the extensive investment and business confidence that has been built up in established centres. We join with the Shopping Centre Council of Australia, which represents all the major shopping complexes, in putting this view forward to the Government, and we have made a submission to the Minister to this effect. So that is in the regulatory area and policy area that we express these points.

With respect to the proactive area, in terms of the centre management and marketing programs, we note that the role of the local government department has not been as strong as we would expect. It is certainly not as strong as what we see in other jurisdictions around the world. As you can detect, I am originally from Canada where the various provincial governments there have produced handbooks and other things that are really trying to build up the importance of these — they call them ‘business improvement areas’ or ‘business improvement districts’. Similarly in the United States, and I have a summary of the various programs that exist there. All the states are developing this and are taking a more active role in getting these business improvement districts going. Our observation is that the local government department here, although it has provided a legislative framework, has not gone out in a proactive way and promoted what we see are the economic benefits of getting behind this.

The CHAIR — Are those available in soft copies?

Mr McNABB — Yes, they are.

The CHAIR — Would you be able to share those with us?

Mr McNABB — Certainly.

The CHAIR — Thank you.

Mr McNABB — That is a key message I want to impart today: that we think the State Government should play a more significant role.

I guess the last one I brought is from the UK. The Cameron Government had a review of all their main streets, and the Portas review — which I would highly recommend to the Committee — really highlights not only the economic but also the community value of having strong what they call ‘high streets’ or ‘main streets’ as part of the development of the fabric in that country.

Next is the distinct role in regional and rural areas. We think it is probably a bigger role in those areas simply because town centres are more important. As I said, they are the glue that keeps the community going. We have highlighted a few of the other issues that make us come to that conclusion.

The barriers to economic development; I am sure you would be familiar with that sort of list. We say that the barriers exist not only within government but also within businesses themselves. For example, adapting to new technology — I do a lot of work in these strip centres, and it is extraordinary the number of businesses that do not have emails or websites or any of the things that are necessary if you are going to run a modern-day retail or commercial business. There are structural issues within centres that need to be addressed in terms of business mix, and centres really need to be more proactive in not letting a centre be dominated by hairdressers or take-away food shops of the same kind, but in fact be creative and try to get a better mix.

Leadership is a key issue. I guess one of the final points that I will make is that not only is it strong leadership from government but also from business and property owners as well.

In terms of joint council and Victorian Government support for local economic development, again I just summarise that we need effective activity centre policies and regulatory controls, and I have highlighted a few examples of those. Some collaborative programs — is this committee familiar with the Streetlife program? It is a \$6 million program over four years announced recently by Minister Asher, particularly to address retail issues, the concerns of retailers and centres. We played an active part in that, and we are continuing to play an active role with the Minister’s office and with the Department to really get that to work well. It is a relatively small budget at this stage, but it is a starting point, and we think that there are some very good things to come out of it.

We also highlight coordinating the business advisory and mentoring services offered through the Department of Business and Innovation and the business advisory services offered by councils. It is about getting those together in the most effective way.

Last but not least, it is about organising really good, coordinated joint efforts to get effective infrastructure into centres, because that is a key thing that will drive economic development, whether it is in the area of transport, government offices, education and health facilities, community facilities or streetscape programs. All of them have economic benefits.

Lastly you asked for a few best practice local government initiatives. I mentioned the BIDs program, which is operating in the US, UK and now in South Africa. It is a tried and true model that has been picked up in a lot of jurisdictions and everyone is saying it is the way to go. The key thing about that — and it is particularly the US which has taken it on — is that it is not a government program per se. Governments may put it in place, but it is about engaging the property owners and businesses to have a role in the improvement of the town centres.

The UK program is primarily focused on getting retail businesses engaged. There is now a realisation that they need to go beyond that and get the property owners involved as well. We now have programs in the United States that are running several million dollar programs. They are tackling not just the marketing and promotional kinds of things but basic things such as cleaning and greening up the place. Basically they are recognising that local government can only provide a certain level of service, and if people want something beyond that, then they need to look at alternative mechanisms to put it in place.

Mr SHAW — Do you think local governments put stumbling blocks into main street or strip shopping centres? There are a couple of examples in my area where they have taken away parking or reduced the 2-hour parking zone to 1 hour. I know they want rotation. There are things like permits and height regulations for having chairs and tables outside cafes or restaurants. They seem to be putting a lot of stumbling blocks in place. Frankston City Council, for example, had a smoke-free zone, and some of the business owners were claiming that took away from their businesses.

Mr McNABB — Yes.

Mr SHAW — They seem to have community consultation on a lot of the big projects, but when it comes to them stuffing around with small business, they can do that on a whim and people find out the next day.

Mr McNABB — Yes, you have to get the balance right. Certainly from a parking point of view there is never going to be enough parking in these places and you have to work it the best way you can; you have to be smarter about this. One of the interesting examples coming out of some of the BIDs programs is that businesses realise that there is never going to be enough parking provided through local government funding and so they are actually using some of the BID funding to not only build but actually manage multistorey car parks, which has proven to be quite a profitable activity for the BID. Not only are they getting their initial capital outlay back but they are starting to make money on them. That would be a clever way to start dealing with the parking issue in these centres.

But I agree with you, Geoff, that footpath trading issues can go a bit over the top. I can understand the idea of having good access, particularly for the disabled members of our community, but you do not want to do it to the point that it restricts outdoor cafe activity or other things, which to me is a vital part of what creates the liveliness of the strip centres.

Mr SHAW — Yes, thank you.

Mr FOLEY — If I could ask you, Peter, with regard to the differences between rural and regional main street shopping clusters and major metropolitan centre ones, what added efforts does your organisation identify are needed on their behalf?

Mr McNABB — I guess our organisation realises that it is important to have major special rate and marketing programs in these areas. For example, there have been very significant programs in Geelong, Bendigo, Ballarat and Mildura that not only address what you would see in metropolitan areas as traditional marketing but which go to much broader areas of economic development in terms of business traction, industry traction and the like. Tourism development becomes part of the whole package. So a wider agenda is picked up and it involves a more significant amount of money. There are 1000, 1500, 2000 businesses involved in the Geelong, Shepparton and Mildura programs, where a much smaller number of businesses are involved in many of the metropolitan programs.

Mr FOLEY — Do you have smaller country towns — for example, one-street towns — as members? Do they have different issues again?

Mr McNABB — Yes. For example, we were recently involved in Robinvale, which is a smaller town. It has the encouragement of a good economic development strategy that addresses some of the particular issues with

respect to its itinerant work force. We developed some proactive strategies with Robinvale to deal with those sorts of issues; it has housing problems and water issues. It is about tackling a wider range of things under the umbrella of an economic development strategy.

Mr CARROLL — Peter, I am just having a think about some of the barriers. Have you come across closed-circuit television? Has your organisation been lobbied for that? Some suburban streets might want to see that rolled out as a way of making people feel safer when they are shopping, with the later hours and for the chemists that open later. Have you had a fair bit of lobbying in that area?

Mr McNABB — Yes.

Mr CARROLL — Do you have some views that you would like to share with the Committee?

Mr McNABB — Yes. Just on that last slide actually, point 4.

Mr CARROLL — There you go.

Mr McNABB — We have issues relating to security. There is an interest in having wi-fi facilities in centres, and there is also an interest in tracking how many people are coming and where they are going. We think we could put together a sophisticated package that could offer all of that — technology that could provide security screening cameras as well as wi-fi and tracking of visitor numbers, yes.

The CHAIR — Sounds like a great idea. Any other questions? Do you have more to go?

Mr McNABB — No, I am finished.

The CHAIR — Thank you very much for your oral presentation and also for the documents. We really appreciate it. You will receive a transcript of today's proceedings within about two weeks. Feel free to make any alterations to errors in punctuation or grammar, but nothing to the substance of the document. Once again, on behalf of the Committee, thank you sincerely for turning up today and providing us with this information.

Mr McNABB — Good, perfect. I will forward soft copies of all that material to you.

The CHAIR — Thank you very much.

Mr FOLEY — Thank you very much, Peter.

Mr McNABB — Good. Cheers.

Committee adjourned.