

TRANSCRIPT

ECONOMIC DEVELOPMENT AND INFRASTRUCTURE COMMITTEE

Inquiry into local economic development initiatives in Victoria

Dandenong — 27 February 2013

Members

Mr N. Burgess
Mr M. Foley
Mr B. Carroll

Mrs I. Peulich
Mr G. Shaw

Chair: Mr N. Burgess
Deputy Chair: Mr M. Foley

Staff

Executive Officer: Mr S. Coley
Research Officer: Dr K. Butler

Witnesses

Mr G. Castricum, Chair (affirmed),
Mr T. Hartley, Committee member (affirmed), and
Mr D. Willersdorf, Committee member (affirmed), Committee for Dandenong.

The CHAIR — Good afternoon. On behalf of the Committee I would like to welcome you to the public hearings of the joint parliamentary Economic Development and Infrastructure Committee's Inquiry into local economic development initiatives in Victoria. The evidence that you give today is protected, but any comments you make outside this hearing are not afforded the same protection. All evidence that you give will become part of the public record. I also ask you to state your full names, the position you have with the organisation and indicate whether you are appearing on behalf of that organisation or on your own behalf.

Mr CASTRICUM — I am Gary Castricum, I am the Chair of the Committee for Dandenong and am representing the Committee.

Mr HARTLEY — I am Todd Hartley, I am a member of the Committee for Dandenong and am representing the Committee.

Mr WILLERSDORF — I am David Willersdorf, I am a member of the Committee for Dandenong and am representing the Committee.

The CHAIR — I now invite you to make an oral presentation.

Mr CASTRICUM — Thank you very much. We are very pleased to be invited to do so. The Committee for Dandenong was formed by a group of business leaders in Dandenong. The reason we have done so is to provide a voice for business in Dandenong and provide business input, where appropriate, into further economic development of the city of Greater Dandenong. I would say at this point that we have a very good relationship with the City of Greater Dandenong and open and clear communication, as we have also had with members of Places Victoria.

Business provides over half the rates paid in the city of Greater Dandenong, but in recent years has very much failed to participate in key decisions affecting the municipality. Too many businesses see Dandenong as a work address; they come to work and they leave. We want to improve the engagement of businesses with government and the community. However, the view of the Committee for Dandenong is pretty much centred around one significant obstacle that we believe we need to tackle — that is, that Dandenong has a serious image problem.

The problem is shaped by the issues of unemployment, industrial decline, or a perception thereof, and a severe decline in the CBD. The Premier visited Bombardier — I think it was the end of last year — a unique Dandenong manufacturer, and the media ran stories of unemployment in Dandenong. *The Age* ran a story — I think it was late last year — describing Dandenong as 'down at heel'. I was born here, raised here, lived here and I have worked here for the last 30 years, so I have got to say that that phrase still rubs me the wrong way. But it is an honest view of Dandenong.

A Current Affair wants to run a program on alcoholism, and of course where does it want to come? Out to Dandenong. I am not going to ask you to give me your perception, but I would like you to think about what your honest perception of Dandenong is. I am going to tell you my view.

Mr SHAW — I come from Frankston and I reckon we have a worse reputation in the media — undeservedly as well.

Mrs PEULICH — I taught in Dandenong so I have different — —

Mr CASTRICUM — I was going to say: Frankston, is that Doveton by the sea? No, sorry, it is not. A bit of local humour, sorry about that. A great city.

Mr SHAW — It is; well done.

Mr CASTRICUM — Dandenong has traditionally been a home for new migrants and refugees. I am sure you have heard that over half the residents in the city of Greater Dandenong were born overseas. My family and Todd's family are migrant families. My dad came to work in Dandenong in 1951 and brought the family, and the extended family came to Dandenong. Todd's story is similar. Dandenong has not changed; it is still the same. Over half the people here are born overseas.

But Dandenong — and I am sure the council representatives told you about that — is a key employment location. This is my perception. It is a key employment location for the south-east, a growing corridor. It

provides 75 000 jobs with a resident work force of 48 000, so it is drawing people from all over. The three of us have been long-term major employers in Dandenong; we draw employees from all over, particularly the corridor. Dandenong is a substantial industrial precinct. If you have time I ask you to get in a car and take a drive around Dandenong South; you need to see it. Do not judge Dandenong by the main street. One of Australia's largest manufacturing and processing centres is here. What I believe is unique about Dandenong is that you can get anything in Dandenong. If you are a processor, as I have been for a long time, or a manufacturer as Todd is, or run transport services like David has; if you have any need you can get it met here.

You can get any sort of industrial service that you require. Dandenong is a unique economic centre because it has the whole range of industrial services available; manufacturing and processing services. More recently Dandenong has also become — and I can reinforce this view because last night I took a drive for an hour around Dandenong South because I wanted to refresh myself on the distribution elements of Dandenong — a significant distribution hub in the south-east. Just about every transport operator that you think of and can name has a facility in Dandenong. There are major logistics operators. It has great proximity, as you know, to the Monash Freeway, EastLink, Peninsula Link, Princes Highway. It has great access. Bunnings and Aldi put their distribution centres on Abbots Road in Dandenong South. We are talking about many of these things occurring in the last five to eight years, so it is recent history, but they here now.

Dandenong South is home to myriad building and automotive suppliers all over. More recently, for example, in Abbots Road Kraft has just built a very substantial complex. That is just one example. Bosch has built one on Abbots Road. They are huge. So I see Dandenong as a thriving industrial hub employing people in the region. I just ask you to compare that with your perception.

We have been asked to provide the key issues for the Committee for Dandenong and where government can assist industry and economic growth. We believe there is a substantial industrial precinct here servicing its own needs in many ways, but there are things that it needs. They are in three areas — transport; the revitalisation of the city centre, which I have some passion about; and education.

Firstly, there is transport. As I said earlier, a lot of refugees and recent migrants do not have cars and they cannot get to most areas of Dandenong South by public transport. You see them going in car loads and big groups of people walking down the street because there are insufficient buses to get employees to employers, like Todd here, down the end of Hammond Road around the corner. It is a serious and important issue that needs to be addressed because it would help the growth of the industry in the area.

We need grade separation. There was recently a fatality on the rail crossing at Abbots Road. If you are ever in Dandenong between 3.30 pm and 5.30 pm you will know it is gridlock. There are 75 000 people coming to work here and they cannot get out. If you want to go to Berwick — as I do — at about 4.30 pm, you are lining up in the centre of Dandenong to get over the two bridges that allow us to get east. We are employing people all the way to Pakenham corridor and you have about four-and-a-half lanes to get over to get there, so it is a serious issue. The Dandenong bypass is fantastic, but it needs to go east; it needs to connect. The work on the South Gippsland Highway to Cranbourne — at least I have seen that listed — needs to occur.

The port of Hastings we have a view on. We see it as transport. Dandenong is already a centre to transport logistics. I know there is mixed policy. Certainly the government policy is pro; opposition policy seems to have shifted of late. We are strong proponents, and we are strong proponents because, if you wish to see industrial development continue in Dandenong, then you need to support that. Many are exporting, many are importing.

It makes a lot of sense to have it on this side of the city rather than to be sending everything up through congested arterial roads into the centre and to the port of Melbourne. I know the port of Melbourne is a great organisation, I have dealt with it over many years, but it cannot do everything. We are a great proponent of the port in Hastings.

On the issue of revitalisation of the city centre, I lived in Dandenong for the first 21 years of my life and I have worked in it for the last 30, and I have seen the centre of Dandenong change in many ways, but unfortunately most of them are not good. Of late we have seen substantial investment occurring. I know it is \$290 million, less \$100 million that I think came out for some other reason, but the Government owns 7 hectares of land just on the edge of the CBD. It is absolutely essential that that development occur and continue to occur. It is terrific seeing the council offices and the government services building, and hopefully we will see the tax office take up

those positions that have been spoken about, but I cannot stress enough that it is absolutely essential. If that area does not develop and goes into decline, it is only going to cause greater problems in this. It is in the Government's hands, and it is essential that it occur.

We want to see the CBD develop. The many manufacturing and processing industries in Dandenong require services, and many of us — accounting services, legal, educational, professional — use some of the very good services here in Dandenong, but many of us travel further afield. We believe that there is a huge demand here, but they do not come here because the centre of Dandenong is not an attractive place to locate. There is an image problem, and the buildings are not suitable. The example of the municipal offices on the corner of Walker Street and the main street is a great one. Commercial-retail combined development, that is what we need to see in the main street. We certainly support that.

We believe that with the manufacturing and processing and industrial precinct that exists in Dandenong, we need to see the development of best practice facilities within the CBD to support the continued development of those commercial enterprises in Dandenong.

On the issue of education, we love to see more education services complementing industry coming into the CBD of Dandenong. It is a logical place to be; it is close to transport. Chisholm has recently located facilities on the corner of Scott Street. We would love to see them acquire that building. I do not know if there is anything you can do to help that, but we would certainly support it. We would like to see the continued development of education services targeted at helping industry further develop. Everyone can criticise industry for not having the skills, but we need complementary education facilities within our city. It will help the industry precinct to continue to develop.

In conclusion, we have had great contact with both council and the State Government, but we believe we need to counter negativity. We believe that you can help that. We certainly believe that the local council needs to do that. We believe businesses need to do it. We need to educate people about what Dandenong really is today. We need to connect industry with the community and with jobs. The jobs are there, and we need to continue to support that. So thank you.

The CHAIR — There is only one presenter, is there?

Mr CASTRICUM — Yes.

The CHAIR — Okay. Thank you very much, and I must comment on your passion for your town, your region, your businesses. It is a wonderful thing to observe, and it is certainly very encouraging for us from our perspective, given the work that has got to go on to improve both Dandenong and the municipalities, and other areas around the state.

Mr FOLEY — I reiterate the Chair's comments on your notable enthusiasm for your community and the sectors that you represent. This inquiry is really looking at local economic development strategies, and particularly, but not exclusively, the role of local government in facilitating playing a role and asking what role it can play and how it can talk that up. From the Committee's point of view, what could local governments — all local governments in the Greater Dandenong region — do to facilitate your committee's work, whether it is on the three key areas of transport, the city centre and education, or any other issues that structurally they might want to deal with?

Mr HARTLEY — One area, which obviously Gary has emphasised, is the promotion of the region, and for people outside of the region not knowing the capabilities and diversity of product that can be manufactured, distributed or promoted in the region. From the figures that Gary is talking about — 75 000 jobs or so in the region — distribution is getting bigger and bigger. We need to keep attracting the Aldis, the Australia Posts and the Bosches. We need to keep attracting those big businesses into the region.

Hopefully somewhere down the track it will pay off even further if the Hastings projects and those sorts of distribution projects also kick in, whether it be 5, 10, 15 or 20 years down the track. But it certainly is in the promotion of bringing the big brands into the region and continuing to have those brands coming into the region, and it is also helping to promote the centres of excellence which we need to keep state-of-the-art facilities for manufacturing, retail, services, professional services et cetera.

One critical thing looking forward in the region — admittedly I am coming from the manufacturing path — is that although we have some of the best truck, caravan, bus and train original equipment manufacturers in the region, I still do not think we get the first pick of our best engineers that are going through Melbourne University et cetera, because I do not think they know the options, the availability and the businesses that are in the region and the diversity and the sophistication of the businesses we have. We need to promote that to get the best engineers and the best logistics people into the Greater Dandenong area.

Mr CASTRICUM — It does go back to the point I made about Dandenong's image problem, and Dandenong's image problem affects investment; right? It affects what we can do, what the council can do and what the State Government can do, we believe. We really believe that a coordinated approach to promoting Dandenong's benefits to the community and to the broader community would benefit Dandenong a lot.

It does not necessarily require a lot of money, because we need to counter that down-at-heel perception, and it does play on what Todd is saying. A lot of people do not want to come and work in Dandenong because of their perception of Dandenong. A lot of people do not want to come and a lot of businesses are not coming into the centre of Dandenong to facilitate its development because they perceive it negatively.

So there is certainly the council, and to address your question a bit further, the council does operate South Eastern Business Networks. I have been a member of a lot of industry organisations; this is a council-run organisation, but it is a good one, and it is run well. It has certainly supported the development of SEMMA, so those have been positive things. Most of what it can do over and above what a local municipal council can do is about supporting development, whether it is providing appropriate planning or whether it is providing appropriate support in facilitating development. I am not talking about financing development, but there is a lot that a council can do to fast-track and facilitate development.

We would say it is under those two areas. A lot needs to happen in the centre of Dandenong with facilitating development. The council, with the support of the State Government and business, really needs to address this image problem that we have.

Mrs PEULICH — Thank you, Gary and committee members. Part of that, obviously, is pride, and we have to be mindful of the fact that this needed to be addressed, and we hope that the initiatives such as the recent police numbers and also PSOs at railway stations have gone some way, but there is obviously a long way to go.

My question is about the structure of your committee: how big is it, what sort of spread of skill have you got there in terms of industry, were you elected, how many members, how are you funded and how often do you meet?

Mr WILLERSDORF — We are the new boys on the block. It goes back 18 months, when a few of us thought we needed to resurrect this. It was something that had been drifting around for a period of time.

Mrs PEULICH — So it had pre-existed?

Mr WILLERSDORF — It was just limping along; it did not achieve anything. It was then that the five of us got together. I suppose we were self-elected at that stage to move in. We have some manufacturing — I suppose we can each go through what we do. I was tied up with Grenda bus operations, and I am also tied up with Chisholm.

Mrs PEULICH — But there are five of you?

Mr WILLERSDORF — Then we have a legal man, a manufacturing man and a butcher.

Mr CARROLL — I reckon you have all bases covered, guys.

Mr WILLERSDORF — And we have a lady on the board too, so we have our gender balance.

Mrs PEULICH — You do? So there are five, including a female?

Mr WILLERSDORF — Yes. I suppose we want to be seen as an independent body. There are lots of entities within Dandenong. As we said, there is the Dandenong Development Board, the SEMMA, there are the retail traders —

Mr CASTRICUM — The Chamber.

Mr WILLERSDORF — And the Chamber as well. So there are all those bodies that are really trying to build this image. This image is really a big factor, I think. I suppose one of the concerns we have is that the amount of money that was put into the development to revitalise Dandenong — it took a long time. In doing that I think the Dandenong centre suffered a lot more than it should have in the development, for all sorts of reasons I guess.

Mrs PEULICH — We heard that this morning.

Mr WILLERSDORF — I think that has set the centre of Dandenong back a bit. It is always difficult, but when you look at the centre of Dandenong, we have a nice new street there now but we have a lot of shops and things there that really do not blend in with the whole development we want to achieve. That is probably unfair to some of the cheaper shops that are there, but it is not at the level we want to get to.

The new development of government offices over here and the Dandenong council offices will bring a whole lot of new people into the town who were not there before. We need to have those people shop in Dandenong for a start, which will then bring the manufacturing people into Dandenong. It is still this image thing.

We argue about how often we are going to meet; we are probably going to meet monthly or bimonthly. It is a matter of when the issues come up. Our objective is that we want to get a couple of runs on the board to prove to the rest of the community that we are actually doing something for the area.

Mr CASTRICUM — So it is at least bimonthly. We have 20 companies that have pledged support to the Committee, and we have a list of about 200 other companies that we try to maintain some level of communication with. We are volunteers — no funding. At the moment we want it like that; it suits us. We have the facilities. Within our group we have legal and various other professionals, so we do not really need to go and buy services. At the moment the group is happy with that. We are pledging a certain amount of our time to try to promote the issues that we see as important.

The CHAIR — On behalf of the Committee thank you very much for your evidence and for being here today. Clearly what you lack in numbers you make up for in tenacity and enthusiasm. It is really interesting to hear your stories about Dandenong and what you have in store for it in coming times. Within about two weeks you will receive a transcript of today's proceedings. Please feel free to make alterations to grammatical or punctuation errors but nothing to do with the product itself. Once again on behalf of the Committee, thank you very much.

Mr WILLERSDORF — Thank you.

Mr CASTRICUM — Thank you. We appreciate it.

Witnesses withdrew.